



Kotak Mahindra Mutual Fund

5A, 5th Floor, Bakhtawar, 229, Nariman Point, Mumbai 400 021

COMBINED OFFER DOCUMENT

Kotak Mahindra Mutual Fund

Continuous Offer: Units of all Schemes available at prices related to Applicable NAV

Kotak Mahindra Gilt Unit Scheme 99
An Open ended Dedicated Gilt Scheme

Kotak Mahindra MNC Scheme
An open ended equity growth scheme

Kotak Mahindra Global India Scheme
An Open-Ended Equity Growth Scheme

Kotak Mahindra 30 Unit Scheme
An open ended equity growth scheme

Kotak Mahindra Income Plus Scheme
An Open-Ended Income Scheme

Kotak Flexi Debt Scheme
An Open-Ended Debt Scheme

Kotak Opportunities
An open ended equity growth scheme

Kotak Mahindra Balance Unit Scheme 99
An open ended balanced Scheme

Kotak Mahindra Liquid Scheme
An Open-Ended Debt Scheme

Kotak Midcap Scheme
An open ended equity growth scheme

Kotak Equity Arbitrage Scheme
An open ended equity growth scheme

Kotak Mahindra Bond Unit Scheme 99
An open ended debt scheme

Kotak Bond Short Term Plan
An Open-Ended Debt Scheme

Kotak Floater Long Term Scheme
An Open-Ended Debt Scheme

Kotak Lifestyle
An open ended equity growth scheme

Kotak Mahindra Technology Scheme
An open ended equity growth scheme

Kotak Floater Short Term Scheme
An Open-Ended Debt Scheme

Kotak Contra
An open ended equity growth scheme

THE SPONSOR
Kotak Mahindra Bank Ltd.
36-38A, Nariman Bhavan
227, Nariman Point Mumbai 400 021

THE REGISTRAR
Computer Age Management Services Pvt. Ltd.
A&B Lakshmi Bhawan,
609 Anna Salai, Chennai 600 006.

THE TRUSTEE
Kotak Mahindra Trustee Co. Ltd.
5A, 5th Floor, Bakhtawar
229, Nariman Point, Mumbai 400 021

CUSTODIANS
Deutsche Bank AG
Kotak House, 222 Dr. D.N. Road,
Fort Mumbai 400 001

Standard Chartered Bank
23/25 M G Road, Mumbai 400 001

THE ASSET ANAGEMENT COMPANY
Kotak Mahindra Asset Management Co. Ltd.
5A, 5th Floor, Bakhtawar
229, Nariman Point, Mumbai 400 021

THE AUDITORS TO THE SCHEME
Price Waterhouse
252, Veer Savarkar Marg,
Shivaji Park, Dadar, Mumbai – 400 028

Investors should note that:

- This Offer Document sets forth concisely the information about all Schemes that a prospective investor ought to know before investing. Investors should carefully read the Offer Document before making an investment decision.
- This Offer Document remains effective until a material change occurs. Material changes will be filed with SEBI and circulated to all Unitholders.
- The Scheme particulars have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended till date and the Offer Document has been filed with SEBI. The Units offered for public subscription have neither been approved nor disapproved by SEBI, nor has SEBI certified the accuracy or adequacy of this Offer Document.
- This Offer Document supercedes all the earlier Offer Documents of the Schemes of Kotak Mahindra Mutual Fund forming a part of this Offer Document.

Please retain this Offer Document for future reference.

THE DATE OF THIS OFFER DOCUMENT IS JANUARY 21, 2008

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I. HIGHLIGHTS, RISK FACTORS AND DUE DILIGENCE

SCHEME	KOTAK MAHINDRA GILT UNIT SCHEME ' 98 (Kotak Gilt)		
Type of Scheme (Structure)	An open-ended dedicated Gilts Scheme		
	Kotak Gilt Savings Plan	Kotak Gilt Investment Plan	
		Regular Plan	Provident Fund and Trust Plan
Investment in	Sovereign securities issued by the Central Government and/ or a State Government and/ or reverse repos in such securities, with the Weighted Average Maturity of the portfolio being upto four years.	Sovereign securities issued by the Central Government and/ or a State Government and/ or reverse repos in such securities, there being no restriction on the Weighted Average Maturity of the portfolio.	
Suitable for	Investors who have short-term Savings / investment horizon.	Investors who have long-term savings /investment horizon.	Provident Funds and other Trusts
Investment Objective	To generate risk-free returns through investments in sovereign securities issued by the Central and /or State Government(s) and/or reverse repos in such securities.		
Fund Managers	Mr. Ritesh Jain and Mr. Imran Sayed		
Liquidity	Open-ended. Purchases and Redemptions at prices related to Applicable NAV.	Put option available during Liquidity Window	
Benchmark Index	I-Sec Si-Bex	I-Sec Composite Index	
Options	Growth and Dividend (Payout and reinvestment options) The NAVs of the above Options will be different and separately declared, the portfolio of investments remaining the same.	Growth and Dividend (payout and reinvestment options) The NAVs of the above Options will be different and separately declared, the portfolio of investments remaining the same.	
Dividend Frequency (Dividend is declared subject to availability and adequacy of distributable surplus)	Monthly and Annual	Quarterly	
Dividend Record Dates (If the Record date is not a Working Day, the immediately following Working Day will be the record date)	12 th of month concerned for Monthly Dividend Option. The record date for the Annual Dividend Option is not fixed	20 th of March, June, September and December of every year	
SIP/SWP/STP Facilities	Available	Available	Available (SWP and STP facility can be availed only during the liquidity window)
SIP Frequency & Dates	1 st , 7 th , 14 th and 21 st of the Month/ Quarter	1 st , 7 th , 14 th and 21 st of the Month/ Quarter	
SWP/STP Frequency	Weekly (Only for STP), Monthly and Quarterly	Weekly (Only for STP), Monthly and Quarterly	
SWP/STP Dates	1 st , 7 th , 14 th and 21 st	1 st , 7 th , 14 th and 21 st	
SWP/STP	Fixed Sum or Entire Appreciation	Fixed Sum or Entire Appreciation	
Minimum Investment size			
Initial Purchase (Non- SIP)	Rs. 5000/-	Rs. 5000/-	
Additional Purchase (Non- SIP)	Rs. 1000/-	Rs. 1000/-	
SIP Purchase	Rs.1000/- (Subject to a minimum of 6 SIP instalments of Rs.1000/-each)	Rs. 1000/- (Subject to a minimum of 6 SIP instalments of Rs.1000/- each)	
Right to Put	Not Available	Not Available	Available only during liquidity window
Minimum Redemption Size			
In Rupees (Non- SWP/STP)	Rs. 1000/-	Rs. 1000/-	
In Units (Non-SWP/STP)	100 units	100 units	
	If the holding is less than Rs. 1000 or 100 units, after processing the redemption request, the entire amount/units will be redeemed from the Scheme.		
In Rupees (SWP/STP)	Rs. 1000/- / Entire Appreciation	Rs. 1000/- / Entire Appreciation	
Cheques/ Drafts to favour	Kotak Gilts Savings	Kotak Gilt Investment	

Loads			
Entry	NIL	NIL	NIL
Exit	NIL	NIL	NIL

SCHEME	KOTAK MAHINDRA BOND UNIT SCHEME ' 99 (Kotak Bond)		
Type of Scheme (Structure)	An open-ended debt scheme		
Plans	Deposit	Regular	Kotak Bond Short Term Plan
Investment in	A variety of debt and money market instruments		
Suitable for	Investors who desire to diversify credit risk through a portfolio of a variety of debt instruments.	Investors requiring reasonable returns with high liquidity	
Investment Objective	To create a portfolio of debt instruments of different maturities so as to spread the risk across a wide maturity horizon and different kinds of issuers in the debt markets.	To provide reasonable returns and high level of liquidity by investing in debt and money market instruments of different maturities, so as to spread the risk across different kinds of issuers in the debt market.	
Fund Managers	Mr. Ritesh Jain and Mr. Imran Sayed		Mr. Ritesh Jain and Mr. Deepak Agrawal
Liquidity	Open-ended. Purchases and Redemptions at prices related to Applicable NAV.		
Benchmark Index	CRISIL Composite Bond Fund Index		CRISIL Short Term Bond Fund Index
Options	Growth, Divided (Payout and Reinvestment)	Growth, Divided (Payout and Reinvestment) and Bonus	Growth, Divided (Reinvestment)
	The asset portfolio of the above both Plans and the options there under is unsegregated. However, the cost structures of the Plans are different, as given in the paragraph "Recurring Expenses of the Fund". On account of the different expense structures of the Deposit and Regular Plans of Kotak Bond and on account of differences in dividend distribution for the options thereunder, the NAV of each Plan and option thereunder is different.		The NAVs of the two Options will be different and separately declared, the portfolio of investments remaining the same.
Dividend Frequency (Dividend is declared subject to availability and adequacy of distributable surplus)	Quarterly	Quarterly and Annual	Monthly
Dividend Record Dates (If the Record date is not a Working Day, the immediately following Working Day will be the record date)	20th of March, June, Sept. and Dec. of every year	20th of March, June, Sept. and Dec. of every year for the Quarterly Dividend Option. 12 th of March for the Annual Dividend Option	12th of every Month
Policy on Bonus	Not Applicable	Bonus Units are issuable, subect to availability & adequacy of distributable surplus	Not Applicable
SIP/SWP/STP Facilities	Available	Available	Available
SIP Frequency & Dates	1 st , 7 th , 14 th and 21 st of the Month/Quarter	1 st , 7 th , 14 th and 21 st of the Month/ Quarter	1 st , 7 th , 14 th and 21 st of the Month/ Quarter
SWP/STP Frequency	Weekly (Only for STP), Monthly and Quarterly	Weekly (Only for STP), Monthly and Quarterly	Weekly (Only for STP), Monthly and Quarterly
SWP/STP Dates	1 st , 7 th , 14 th and 21 st	1 st , 7 th , 14 th and 21 st	1 st , 7 th , 14 th and 21 st
SWP/STP	Fixed Sum or Entire Appreciation	Fixed Sum or Entire Appreciation	Fixed Sum or Entire Appreciation
Minimum Investment size			
Initial Purchase (Non- SIP)	Rs. 5000/-	Rs. 5000/-	Rs. 5000/-
Additional Purchase (Non- SIP)	Rs. 1000/-	Rs. 1000/-	Rs. 1000/-
SIP Purchase	Rs. 1000/- (Subject to a minimum 6 SIP instalments of Rs.1000/-each)	Rs. 1000/- (Subject to a minimum 6 SIP instalments of Rs.1000/-each)	Rs. 1000/- (Subject to a minimum 6 SIP instalments of Rs.1000/-each)
Minimum Redemption Size			
In Rupees (Non- SWP/STP)	Rs. 1000/-	Rs. 1000/-	Rs. 1000/-

In Units (Non-SWP/STP)	100 units	100 units	100 units
	If the holding is less than Rs. 1000 or 100 units, after processing the redemption request, the entire amount/units will be redeemed from the Scheme.		
In Rupees (SWP/STP)	Rs. 1000/- / Entire Appreciation	Rs. 1000/- / Entire Appreciation	Rs. 1000/- / Entire Appreciation
Cheques / Drafts to favour	Kotak Bond		Kotak Bond Short Term
Loads			
Entry	NIL	NIL	NIL
Exit	For investments upto Rs. 10 Lacs: 0.50% if redeemed within six months; For investments above Rs. 10 Lacs: Nil	NIL	NIL

SCHEME	Kotak Mahindra Liquid Unit Scheme (Kotak Liquid)			Kotak Floater Short Term Scheme
Type of Scheme (Structure)	An open-ended Debt Scheme			An open-ended Debt Scheme
Plans	Regular	Institutional	Institutional Premium	
Investment in	A variety of listed / unlisted and / or rated/unrated debt and money market instruments			Debt and Money Market instruments
Suitable for	Short-term investors who desire to diversify credit risk through a portfolio of a variety of debt and money market instruments			Investors who want to reduce interest rate risk associated with fixed rate investments
Investment Objective	To provide reasonable returns and high level of liquidity by investing in Debt and money market instruments of different maturities so as to spread risk across different kinds of issuers in the Debt Markets			To reduce the interest rate risk associated with investments in fixed rate instruments by investing pre dominantly in floating rate securities, money market instruments and using appropriate derivatives.
Fund Managers	Mr. Ritesh Jain and Mr. Deepak Agrawal			
Liquidity	Open-ended. Purchases and Redemptions at prices related to Applicable NAV.			
Benchmark Index	Crisil Liquid Fund Index			
Options	Growth and Dividend (Reinvestment)	Growth and Dividend (Reinvestment)	Growth and Dividend (Payout and Reinvestment)	Growth and Dividend (Reinvestment)
	The asset portfolio of all the abovementioned Plans and the Options thereunder is unsegregated. However, the cost structures of the Plans are different, as given in the paragraph "Recurring Expenses of the Fund". The NAVs of the above options are different and separately declared, the portfolio of investment remaining the same.			The NAVs of the above options are different and separately declared, the portfolio of investment remaining the same.
Dividend Frequency (Dividend is declared subject to availability and adequacy of distributable surplus)	Weekly	Daily and Weekly	Daily and Weekly	Daily, Weekly and Monthly
Dividend Record Dates (If the Record date is not a Working Day, the immediately following Working Day will be the record date)	Every Monday	For Daily Dividend Option – Every day for which NAV is declared. For Weekly Dividend Option – Every Monday		For Daily Dividend Option–Every day for which NAV is declared. For Weekly Dividend Option – Every Monday For Monthly Dividend Option – 12th of every Month
SIP/SWP/STP Facilities	Available	Not Available		Available
SIP Frequency & Dates	1 st , 7 th , 14 th and 21 st of the Month/ Quarter	Not Available		1 st , 7 th , 14 th and 21 st of the Month/ Quarter
SWP/STP Frequency	Weekly (Only for STP), Monthly and Quarterly	Not Available		Weekly (Only for STP), Monthly and Quarterly
SWP/STP Dates	1 st , 7 th , 14 th and 21 st	Not Available		1 st , 7 th , 14 th and 21 st

SWP/STP	Fixed Sum or Entire Appreciation	Not Available		Fixed Sum or Entire Appreciation
Minimum Investment size				
Initial Purchase (Non- SIP)	Rs. 5000/-	Rs. 1,00,00,000/-	Rs. 5,00,00,000/-	Rs. 1,00,000/- for Daily Dividend Option. Rs. 5000/- for Growth, Weekly Dividend and Monthly Dividend Options
Additional Purchase (Non- SIP)	Rs. 1000/-	Rs. 1000/-	Rs. 1000/-	Rs. 1000/-
SIP Purchase	Rs. 1000/- (Subject to minimum of 6 SIP instalments of Rs. 1000/- each)	Not Available		Rs. 1000/- (Subject to a minimum of 6 SIP instalments of Rs. 1000/- each)
Minimum Redemption Size				
In Rupees (Non- SWP/STP)	Rs. 1000/-	Rs. 1000/-	Rs. 1000/-	Rs. 1000/-
In Units (Non-SWP/STP)	100 units	100 units	100 units	100 units
	If the holding is less than Rs. 1000 or 100 units, after processing the redemption request, the entire amount/units will be redeemed from the Scheme.			
In Rupees (SWP/STP)	Rs. 1000/- / Entire Appreciation	Not Available		Rs. 1000/- / Entire Appreciation
Cheques/ Drafts to favour	Kotak Liquid		Kotak Floater Short Term	
Loads				
Entry	NIL	NIL	NIL	NIL
Exit	NIL	NIL	NIL	NIL

SCHEME	Kotak Income Plus	Kotak Flexi Debt Scheme	Kotak Floater Long Term Scheme
Type of Scheme (Structure)	An open-ended Income Scheme	An open-ended debt scheme	An open-ended debt scheme
Investment in	A portfolio of debt instruments with a moderate exposure in equity related instruments.	Debt and Money Market Instruments	Debt securities (predominant investments being in floating rate securities) and money market instruments
Suitable for	Investors who seek to enhance return over a portfolio of Debt Instruments with a moderate exposure in Equity and Equity related Instruments.	Investors who want to invest in a debt portfolio, which is actively managed, based on Fund Manager's market outlook.	Investors who want to reduce interest rate risk associated with fixed rate investments
Investment Objective	To enhance returns over a portfolio of Debt Instruments with a moderate exposure in Equity and Equity related Instruments.	The investment objective of the Scheme is to maximise returns through an active management of a portfolio of debt and money market securities.	To reduce the interest rate risk associated with investments in fixed rate instruments by investing predominantly in floating rate securities, money market instruments and using appropriate derivatives.
Fund Managers	Mr. Krishna Sanghvi, Mr. Sajit Pisharodi and Mr. Ritesh Jain	Mr. Ritesh Jain and Mr. Deepak Agrawal	Mr. Ritesh Jain and Mr. Imran Sayed
Liquidity	Open-ended. Purchases and Redemptions at prices related to Applicable NAV on each Working Day.		
Benchmark Index	CRISIL MIP Blended Index	CRISIL Composite Bond Index	CRISIL Liquid Fund Index
Options	Growth and Dividend (Payout and Reinvestment) The NAVs of the above options will be different and separately declared; the portfolio of investments remaining the same		Growth and Dividend (Reinvestment) The NAVs of the above option will be different and separately declared; the portfolio of investments remaining the same

Dividend Frequency (Dividend is declared subject to availability and adequacy of distributable surplus)	Monthly and Quarterly	Daily and Quarterly	Weekly and Monthly
Dividend Record Dates (If the Record date is not a Working Day, the immediately following Working Day will be the record date)	For Monthly Dividend - 12th of every Month 20th of March, June, September and December of every year, for quarterly dividend	For Daily Dividend Option – Every day for which NAV is declared. For quarterly dividend option – 20th of March, June, September and December of every year	For Weekly Dividend - Every Monday For Monthly Dividend - 12th of every Month
SIP/SWP/STP Facilities	Available	Available	Available
SIP Frequency & Dates	1 st , 7 th , 14 th and 21 st of the Month/ Quarter	1 st , 7 th , 14 th and 21 st of the Month/ Quarter	1 st , 7 th , 14 th and 21 st of the Month/ Quarter
SWP/STP Frequency	Weekly (Only for STP), Monthly and Quarterly	Weekly (Only for STP), Monthly and Quarterly	Weekly (Only for STP), Monthly and Quarterly
SWP/STP Dates	1 st , 7 th , 14 th and 21 st	1 st , 7 th , 14 th and 21 st	1 st , 7 th , 14 th and 21 st
SWP/STP	Fixed Sum or Entire Appreciation	Fixed Sum or Entire Appreciation	Fixed Sum or Entire Appreciation
Minimum Investment size			
Initial Purchase (Non- SIP)	Rs. 5000/-	Rs. 1,00,000/- for Daily Dividend Option Rs. 5000/- for Growth and Quarterly Dividend Options	Rs. 5000/-
Additional Purchase (Non- SIP)	Rs. 1000/-	Rs. 1000/-	Rs. 1000/-
SIP Purchase	Rs. 1000/- (Subject to a minimum of 6 SIP instalments of Rs. 1000/- each)	Rs. 1000/- (Subject to a minimum of 6 SIP instalments of Rs. 1000/- each)	Rs. 1000/- (Subject to a minimum of 6 SIP instalments of Rs. 1000/- each)
Minimum Redemption Size			
In Rupees (Non- SWP/STP)	Rs. 1000/-	Rs. 1000/-	Rs. 1000/-
In Units (Non-SWP/STP)	100 units	100 units	100 units
	If the holding is less than Rs. 1000 or 100 units, after processing the redemption request, the entire amount/units will be redeemed from the Scheme.		
In Rupees (SWP/STP)	Rs. 1000/- / Entire Appreciation	Rs. 1000/- / Entire Appreciation	Rs. 1000/- / Entire Appreciation
Cheques/ Drafts to favour	Kotak Income Plus	Kotak Flexi Debt	Kotak Floater Long Term
Loads			
Entry	NIL	NIL	NIL
Exit	<ul style="list-style-type: none"> For investments less than or equal to Rs. 25 Lacs : 1%, if redeemed within 1 year For investment above Rs. 25 lacs : Nil 	0.10% if redeemed within 7 days from date of allotment of units.	For investments upto Rs. 10 Lacs: 0.50% if redeemed within six months; For investments above Rs. 10 Lacs: Nil

SCHEME	Kotak Mahindra 30 Unit Scheme (Kotak 30)	Kotak MNC	Kotak Tech	Kotak Balance
Type of Scheme (Structure)	Open-ended Equity Growth Scheme	Open-ended Equity Growth Scheme	Open-ended Equity Growth Scheme	Open-ended Balanced Scheme
Investment in	A portfolio of predominantly equity and equity related securities. Security of around 30 company which may go upto 39 companies	Multinational Company Stocks	Technology, other technology enabled companies and related sectors	More than 50% in equity and equity related instruments and the balance in debt and money market instruments
Suitable for	Investors who seek capital appreciation associated with investment in equity instruments	Investors who seek high returns and are willing to take attendant risks from investing in multinational companies	Investors who seek high returns and are willing to take attendant risks from investing in companies in the Technology, other technology enabled companies and related sectors.	Investors who seek to moderate the risks associated with equity instruments by including debt instruments in the portfolio.

Investment Objective	To generate capital appreciation from a portfolio of predominantly equity related securities . The portfolio will generally comprise of equity & equity related instruments of around 30 companies which may go upto 39 companies	To generate capital appreciation from a portfolio of predominantly equity and equity related securities issued by multinational companies	The investment objective is to generate capital appreciation from a portfolio of predominantly equity and equity related securities in technology, other technology enabled companies and related sectors as given in the investment strategy.	The investment objective of the Scheme is to achieve growth by investing in equity and equity related instruments, balanced with income generation by investing in debt and money market instruments.
Fund Managers	Mr. Krishna Sanghvi and Mr. Sanjib Guha	Mr. Krishna Sanghvi and Mr. Anurag Jain	Mr. Anurag Jain and Mr. Sanjib Guha	Mr. Krishna Sanghvi and Mr. Ritesh Jain and Mr. Sanjib Guha
Liquidity	Open-ended. Purchases and Redemptions at prices related to Applicable NAV on each Working Day.			
Benchmark Index	S&P CNX Nifty	S&P CNX Nifty and BSE Sensex	BSE Teck	Crisil Balanced Fund Index
Options	Growth and Dividend (Payout and Reinvestment) The NAVs of the above Options will be different and separately declared; the portfolio of investments remaining the same.	-	-	-
Dividend Frequency (Dividend is declared subject to availability and adequacy of distributable surplus)	At the discretion of the Trustees	At the discretion of the Trustees	At the discretion of the Trustees	Half Yearly
Dividend Record Dates (If the Record date is not a Working Day, the immediately following Working Day will be the record date)	-	-	-	25 th March and 25 th September every year
SIP/SWP/STP Facilities	Available	Available	Available	Available
SIP Frequency & Dates	1 st , 7 th , 14 th and 21 st of the Month/ Quarter	1 st , 7 th , 14 th and 21 st of the Month/ Quarter	1 st , 7 th , 14 th and 21 st of the Month/ Quarter	1 st , 7 th , 14 th and 21 st of the Month/ Quarter
SWP/STP Frequency	Weekly (Only for STP), Monthly and Quarterly	Weekly (Only for STP), Monthly and Quarterly	Weekly (Only for STP), Monthly and Quarterly	Weekly (Only for STP), Monthly and Quarterly
SWP/STP Dates	1 st , 7 th , 14 th and 21 st	1 st , 7 th , 14 th and 21 st	1 st , 7 th , 14 th and 21 st	1 st , 7 th , 14 th and 21 st
SWP/STP	Fixed Sum or Entire Appreciation	Fixed Sum or Entire Appreciation	Fixed Sum or Entire Appreciation	Fixed Sum or Entire Appreciation
Minimum Investment size				
Initial Purchase (Non- SIP)	Rs. 5000/-	Rs. 5000/-	Rs. 5000/-	Rs. 5000/-
Additional Purchase (Non- SIP)	Rs. 1000/-	Rs. 1000/-	Rs. 1000/-	Rs. 1000/-
SIP Purchase	Rs. 1000/- (Subject to a minimum of 6 SIP instalments of Rs. 1000/- each)	Rs. 1000/- (Subject to a minimum of 6 SIP instalments of Rs. 1000/- each)	Rs. 1000/- (Subject to a minimum of 6 SIP instalments of Rs. 1000/- each)	Rs. 1000/- (Subject to a minimum of 6 SIP instalments of Rs. 1000/- each)
Minimum Redemption Size				
In Rupees (Non- SWP/STP)	Rs. 1000/-	Rs. 1000/-	Rs. 1000/-	Rs. 1000/-
In Units (Non-SWP/STP)	100 units	100 units	100 units	100 units
	If the holding is less than Rs. 1000 or 100 units, after processing the redemption request, the entire amount/units will be redeemed from the Scheme.			
In Rupees (SWP/STP)	Rs. 1000/- / Entire Appreciation	Rs. 1000/- / Entire Appreciation	Rs. 1000/- / Entire Appreciation	Rs. 1000/- / Entire Appreciation
Cheques/ Drafts to favour	KOTAK 30	Kotak MNC	Kotak Tech	Kotak Balance
Loads				
Entry	Entry Load:			
	a) No entry load shall be charged on:			
	i) For "all direct" applications received by AMC i.e. applications received through internet facility offered (www.kotakmutual.com), on application forms that are not routed through any			

	<p>distributor/agent/broker and submitted to AMC office or collection centre / investment service centre.</p> <p>ii) On additional purchases done directly by the investor under the same folio and switch-in to the scheme from other scheme if such transaction is done directly by the investor:</p> <p>iii) Where the purchase amount/switch in amount is equal to or more than Rs. 5 crores</p> <p>iv) Where the switch in is from an Equity/Balanced/Equity FOF Scheme to an Equity/Balanced/Equity FOF Scheme</p> <p>v) Where switch in is from a close ended scheme (excluding Fixed Maturity Plans and Interval Plans) during the pre-defined liquidity window of the scheme as defined in the respective offer documents or on maturity to an Equity/ Balanced/Equity FOF Schemes:</p> <p>vi) Where the switch in is from any other scheme apart from point iv and v above to an Equity/Balanced/ Equity FOF Scheme</p> <p>vii) Where investments is made by Fund of Funds as defined under SEBI Regulations</p> <p>viii) Where units are allotted upon reinvestment of Dividends</p> <p>b) Cases not covered above: 2.25%</p>
Exit	<ul style="list-style-type: none"> ● For exit within 6 months from the date of allotment of units for investments of less than Rs. 5 crores: 1% ● For exit after 6 months upto 1 year from the date of allotment of units for investments of less than Rs. 5 crores: 0.50% ● Where investments is made by Fund of Funds as defined under SEBI Regulations: Nil ● Where units are allotted upon reinvestment of Dividends: Nil ● Cases not covered above: Nil

SCHEME	Kotak Mahindra Global Unit Scheme (Kotak Global India)	Kotak Opportunities	Kotak Midcap
Type of Scheme (Structure)	An Open-ended Equity Growth Scheme	An Open-Ended Equity Growth Scheme	An Open-Ended Equity Growth Scheme
Investment in	A diversified portfolio of predominantly equity and equity related securities issued by Globally Competitive Indian Companies	Equity and Equity related securities.	Investments will be predominantly in midcap stocks.
Suitable for	Investors who seek capital appreciation associated with investment in equity instruments	Investors who seek capital appreciation associated with investment in equity instruments.	Investors who seek capital appreciation from those companies which have a potential to grow and who are willing to take risk of volatility associated with an endeavour to identifying tomorrow's bluechip companies
Investment Objective	The investment objective of the Scheme is to generate capital appreciation from a diversified Portfolio of predominantly equity and equity related securities issued by globally competitive Indian companies.	The investment objective of the Scheme is to generate capital appreciation from a diversified portfolio of equity and equity related securities.	The investment objective of the Scheme is to generate capital appreciation from a diversified portfolio of equity and equity related securities.
Fund Managers	Mr. Anurag Jain and Mr. Sanjib Guha	Mr. Krishna Sanghvi and Mr. Anurag Jain	Mr. Krishna Sanghvi and Mr. Anurag Jain
Liquidity	Open-ended. Purchases and Redemptions at prices related to Applicable NAV on each Working Day.		
Benchmark Index	S&P CNX 500	S&P CNX 500	CNX Midcap
Options	Growth and Dividend (Payout and Reinvestment) The NAVs of the above options will be different and separately declared; the Portfolio of investments remaining the same.	Growth and Dividend (Payout and Reinvestment) The NAVs of the above options will be different and separately declared; the portfolio of investments remaining the same	Growth and Dividend (Payout and Reinvestment) The NAVs of the above options will be different and separately declared; the portfolio of investments remaining the same.

Dividend Frequency (Dividend is declared subject to availability and adequacy of distributable surplus)	At the discretion of the Trustees	At the discretion of the Trustees	At the discretion of the Trustees
Dividend Record Dates (If the Record date is not a Working Day, the immediately following Working Day will be the record date)	-	-	-
SIP/SWP/STP Facilities	Available	Available	Available
SIP Frequency & Dates	1 st , 7 th , 14 th and 21 st of the Month/ Quarter	1 st , 7 th , 14 th and 21 st of the Month/ Quarter	1 st , 7 th , 14 th and 21 st of the Month/ Quarter
SWP/STP Frequency	Weekly (Only for STP), Monthly and Quarterly	Weekly (Only for STP), Monthly and Quarterly	Weekly (Only for STP), Monthly and Quarterly
SWP/STP Dates	1 st , 7 th , 14 th and 21 st	1 st , 7 th , 14 th and 21 st	1 st , 7 th , 14 th and 21 st
SWP/STP	Fixed Sum or Entire Appreciation	Fixed Sum or Entire Appreciation	Fixed Sum or Entire Appreciation
Minimum Investment size			
Initial Purchase (Non- SIP)	Rs. 5000/-	Rs. 5000/-	Rs. 5000/-
Additional Purchase (Non- SIP)	Rs. 1000/-	Rs. 1000/-	Rs. 1000/-
SIP Purchase	Rs. 1000/- (Subject to a minimum of 6 SIP instalments of Rs. 1000/- each)	Rs. 1000/- (Subject to a minimum of 6 SIP instalments of Rs. 1000/- each)minimum	Rs. 1000/- (Subject to a of 6 SIP instalments of Rs. 1000/- each)
Minimum Redemption Size			
In Rupees (Non- SWP/STP)	Rs. 1000/-	Rs. 1000/-	Rs. 1000/-
In Units (Non-SWP/STP)	100 units	100 units	100 units
	If the holding is less than Rs. 1000 or 100 units, after processing the redemption request, the entire amount/units will be redeemed from the Scheme.		
In Rupees (SWP/STP)	Rs. 1000/- / Entire Appreciation	Rs. 1000/- / Entire Appreciation	Rs. 1000/- / Entire Appreciation
Cheques/ Drafts to favour	Kotak Global India	Kotak Opportunities	Kotak Midcap
Loads			
Entry	<p>a) No entry load shall be charged on:</p> <ol style="list-style-type: none"> For "all direct" applications received by AMC i.e. applications received through internet facility offered (www.kotakmutual.com), on application forms that are not routed through any distributor/agent/broker and submitted to AMC office or collection centre / investment service centre. On additional purchases done directly by the investor under the same folio and switch-in to the scheme from other scheme if such transaction is done directly by the investor: Where the purchase amount/switch in amount is equal to or more than Rs. 5 crores Where the switch in is from an Equity/Balanced/Equity FOF Scheme to an Equity/Balanced/Equity FOF Scheme Where switch in is from a close ended scheme (excluding Fixed Maturity Plans and Interval Plans) during the pre-defined liquidity window of the scheme as defined in the respective offer documents or on maturity to an Equity/ Balanced/Equity FOF Schemes: Where the switch in is from any other scheme apart from point iv and v above to an Equity/ Balanced/Equity FOF Scheme Where investments is made by Fund of Funds as defined under SEBI Regulations Where units are allotted upon reinvestment of Dividends <p>b) Cases not covered above: 2.25%</p>		
Exit	<ul style="list-style-type: none"> For exit within 6 months from the date of allotment of units for investments of less than Rs. 5 crores: 1% For exit after 6 months upto 1 year from the date of allotment of units for investments of less than Rs. 5 crores: 0.50% Where investments is made by Fund of Funds as defined under SEBI Regulations: Nil Where units are allotted upon reinvestment of Dividends: Nil Cases not covered above: Nil 		

SCHEME	Kotak Contra	Kotak Lifestyle	Kotak Equity Arbitrage Fund
Type of Scheme (Structure)	An Open-ended Equity Growth Scheme	An Open-Ended Equity Growth Scheme	An Open-Ended Equity Growth Scheme
Investment in	The Scheme will invest in stocks of companies, which are fundamentally sound but are undervalued. The undervalued stocks are those whose true long-term potential is not yet recognised by the broad market.	The Scheme will predominantly invest in equity and equity related instruments across industries and companies, which are expected to benefit from the rising household spending in India.	The scheme will invest in equity, derivatives and Debt and Money Market Instruments.
Suitable for	Investors, [1] who believe that, stock prices reflect intrinsic value of the underlying companies over a period of time, and [2] who seek capital appreciation from those companies, which are traded at prices lower than their estimated intrinsic value. Such investors should be willing to take risk of estimation of the right intrinsic value by the Fund Manager.	Investors who seek capital appreciation from a portfolio of equity instruments.	Investors who seek income, while parking their short-term surplus.
Investment Objective	To generate capital appreciation from a diversified portfolio of equity and equity related instruments.	The investment objective of the fund is to generate long-term capital appreciation from a portfolio of equity & equity related securities, generally diversified across companies, which are likely to benefit by changing lifestyle and rising consumerism in India.	The investment objective of the scheme is to generate capital appreciation and income by predominantly investing in arbitrage opportunities in the cash & derivatives segment of the equity market, and by investing the balance in debt and money market instruments.
Fund Managers	Mr. Anurag Jain and Mr. Sanjib Guha	Mr. Krishna Sanghvi and Mr. Sanjib Guha	Mr. Sajit Pisharodi and Mr. Ritesh Jain
Liquidity	Open-ended. Purchases and Redemptions at prices related to Applicable NAV on each Working Day.		
Benchmark Index	S&P CNX 500	S&P CNX 500	Crisil Liquid Fund Index
Options	Growth and Dividend (Payout and Reinvestment) The NAVs of the above options will be different and separately declared; the portfolio of investments remaining the same.	Growth and Dividend (Payout and Reinvestment) The NAVs of the above options will be different and separately declared; the portfolio of investments remaining the same.	Growth and Dividend (Payout and Reinvestment) The NAVs of the above options will be different and separately declared; the portfolio of investments remaining the same.
Dividend Frequency (Dividend is declared subject to availability and adequacy of distributable surplus)	At the discretion of the Trustees	At the discretion of the Trustees	Monthly
Dividend Record Dates (If the Record date is not a Working Day, the immediately following Working Day will be the record date)	-	-	The Monday immediately preceding the last Thursday of the month (the Futures and Options expiry date)
SIP/SWP/STP Facilities	Available	Available	Available
SIP Frequency & Dates	1 st , 7 th , 14 th and 21 st of the Month/ Quarter	1 st , 7 th , 14 th and 21 st of the Month/ Quarter	1 st , 7 th , 14 th and 21 st of the Month/ Quarter
SWP/STP Frequency	Weekly (Only for STP), Monthly and Quarterly	Weekly (Only for STP), Monthly and Quarterly	Weekly (Only for STP), Monthly and Quarterly
SWP/STP Dates	1 st , 7 th , 14 th and 21 st	1 st , 7 th , 14 th and 21 st	1 st , 7 th , 14 th and 21 st
SWP/STP	Fixed Sum or Entire Appreciation	Fixed Sum or Entire Appreciation	Fixed Sum or Entire Appreciation
Minimum Investment size			
Initial Purchase (Non- SIP)	Rs. 5000/-	Rs. 5000/-	Rs. 5000/-
Additional Purchase (Non- SIP)	Rs. 1000/-	Rs. 1000/-	Rs. 1000/-
SIP Purchase	Rs. 1000/- (Subject to a minimum of 6 SIP instalments of Rs. 1000/- each)	Rs. 1000/- (Subject to a minimum of 6 SIP instalments of Rs. 1000/- each)	Rs. 1000/- (Subject to a minimum of 6 SIP instalments of Rs. 1000/- each)
Minimum Redemption Size			

In Rupees (Non- SWP/STP)	Rs. 1000/-	Rs. 1000/-	Rs. 1000/-
In Units (Non-SWP/STP)	100 units	100 units	100 units
	If the holding is less than Rs. 1000 or 100 units, after processing the redemption request, the entire amount/units will be redeemed from the Scheme.		
In Rupees (SWP/STP)	Rs. 1000/- / Entire Appreciation	Rs. 1000/- / Entire Appreciation	Rs. 1000/- / Entire Appreciation
Cheques/ Drafts to favour	Kotak Contra	Kotak Lifestyle	Kotak Equity Arbitrage
Loads			
Entry	<p>a) No entry load shall be charged on:</p> <p>i) For "all direct" applications received by AMC i.e. applications received through internet facility offered (www.kotakmutual.com), on application forms that are not routed through any distributor /agent/broker and submitted to AMC office or collection centre / investment service centre.</p> <p>ii) On additional purchases done directly by the investor under the same folio and switch-in to the scheme from other scheme if such transaction is done directly by the investor:</p> <p>iii) Where the purchase amount/switch in amount is equal to or more than Rs. 5 crores</p> <p>iv) Where the switch in is from an Equity/Balanced/Equity FOF Scheme to an Equity/Balanced/Equity FOF Scheme</p> <p>v) Where switch in is from a close ended scheme (excluding Fixed Maturity Plans and Interval Plans) during the pre-defined liquidity window of the scheme as defined in the respective offer documents or on maturity to an Equity/ Balanced/Equity FOF Schemes.</p> <p>vi) Where the switch in is from any other scheme apart from point iv and v above to an Equity/Balanced/Equity FOF Scheme</p> <p>vii) Where investments is made by Fund of Funds as defined under SEBI Regulations</p> <p>viii) Where units are allotted upon reinvestment of Dividends</p> <p>b) Cases not covered above: 2.25%</p>		NIL
Exit	<ul style="list-style-type: none"> For exit within 6 months from the date of allotment of units for investments of less than Rs. 5 crores: 1% For exit after 6 months upto 1 year from the date of allotment of units for investments of less than Rs. 5 crores: 0.50% Where investments is made by Fund of Funds as defined under SEBI Regulations: Nil Where units are allotted upon reinvestment of Dividends: Nil Cases not covered above: Nil 		<p>For Investments <= Rs. 50 lacs:</p> <p>a. If redeemed within 3 months from the date of allotment of units: 0.60%</p> <p>b. If redeemed after 3 months, within 6 months from the date of allotment of units: 0.50%</p> <p>c. If redeemed after 6 months from the date of allotment of units: Nil</p> <p>d. Where investments is made by Fund of Funds as defined under SEBI regulations: Nil</p> <p>e. Where units are allotted upon reinvestment of Dividends: Nil</p> <p>For Investments > Rs. 50 lacs:</p> <p>a. If redeemed on or before 30 days from the date of allotment of units: 0.50%</p> <p>b. If redeemed after 30 days from the date of allotment of units: Nil</p> <p>c. Where investments is made by Fund of Funds as defined under SEBI Regulations: Nil</p> <p>d. Where units are allotted upon reinvestment of Dividends: Nil</p>

TAX BENEFITS AS PER THE PROVISIONS OF INCOME TAX ACT, 1961 AND WEALTH TAX ACT, 1957,

- No TDS on redemption irrespective of amount redeemed, for Unit holders Resident in India. Investments in the Scheme are exempt from Wealth Tax.
- If the unit is held for 12 months or less, the resultant gain if any, is treated as short term capital assets. Short term gain arising to unit holder which will be taxed at the normal rate, applicable to that unit holder, as per the provision of the Act.
- Dividends received under the Scheme are exempt from income tax in the hands of investors and the Scheme will pay dividend distribution tax which will be charged to the Scheme.

RISK FACTORS

- Mutual Funds and securities investments are subject to market risks and there is no assurance or guarantee that the objective of the Scheme will be achieved.
- As with any securities investment, the NAV of the Units issued under the Scheme can go up or down depending on the factors and forces affecting the capital and money markets.
- Past performance of the Sponsor/AMC/Fund or that of any scheme of the Fund does not indicate the future performance of the Schemes of the Fund.
- Kotak Gilt Savings Plan, Kotak Gilt Investment Plan, Kotak Bond, Kotak Bond Short Term Plan, Kotak Liquid, Kotak Floater Short Term Scheme, Kotak Floater Long Term Scheme, Kotak Flexi Debt, Kotak Income Plus, Kotak 30, Kotak Balance, Kotak Tech, Kotak MNC, Kotak Global India, Kotak Contra, Kotak Opportunities, Kotak Equity Arbitrage, Kotak Midcap, and Kotak Lifestyle, are only the names of the Schemes/Plans and do not in any manner indicate the quality of the Schemes/Plans, future prospects or returns.
- The NAV of the Units issued under the Schemes may be affected, inter alia, by changes in the market, interest rates, performance of individual stocks, changes in credit rating, trading volumes, settlement periods and transfer procedures; the NAV is also exposed to Price/Interest-Rate Risk and credit Risk and may be affected inter alia, by government policy, volatility and liquidity in the money markets and pressure on the exchange rate of the rupee.
- Since some of the schemes propose to invest in equity index derivatives, the NAV could be volatile with the resultant risk-reward. Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investors. Further, execution of investment strategies for investment in derivative products depends upon the ability of the fund manager to identify suitable opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and the decision taken may not be always profitable. No assurance can be given that the fund manager will be able to identify such opportunities or execute such investment strategies. For details, please refer to the paragraph on "Potential loss associated with Derivative Trading pertaining to Equity Markets".
- Different types of securities in which the schemes would invest carry different levels and types of risk. Accordingly the scheme's risk may increase or decrease depending upon its investment pattern. E.g. corporate bonds carry higher amount of risk than government securities. Further, even among corporate bonds, bonds, which are AAA rated, are comparatively less risky than bonds, which are AA rated.

- Tax laws may change, affecting the return on investment in Units.
- In the event of receipt of a very large number of redemption requests or very large value redemption requests or of restructuring of the Scheme's portfolio, there may be delays in the redemption of Units. Please refer to the paragraph, 'Right to Limit Redemption' in this Offer Document.
- As per SEBI circular SEBI/IMD/Cir No. 10/22701/03 dated 12th December 2003 each scheme and individual plan(s) under the scheme should have a minimum of 20 investors and no single investor should account for more than 25% of the corpus of such scheme/plan(s). In case of non fulfillment with either of the above two conditions in a three month time period or the end of the succeeding calendar quarter, whichever is earlier, from the close of the New fund offer of open-ended schemes or on an ongoing basis for each calendar quarter, the schemes/plans shall be wound up by following the guidelines prescribed by SEBI and the investor's money would be redeemed at applicable NAV.
SEBI has provided further clarifications vide circular SEBI/IMD/Cir No. 1/42529/05 dated 14th June 2005 in respect to determining the breach of the 25% limit by an Investor – (i) the earlier circular would be applicable at the portfolio level. (ii) The average net assets of the scheme would be calculated daily and any breach of the 25% holding limit by an investor would be determined. At the end of the quarter, the average of daily holding by each such investor will be computed to determine whether that investor has breached the 25 % limit over the quarter. If there is a breach of limit by any investor over the quarter, a rebalancing period of one month would be allowed and thereafter the investor who is in breach of the rule shall be given 15 days notice to redeem his exposure over the 25 % limit. Failure on the part of the said investor to redeem his exposure over the 25 % limit within the aforesaid 15 days would lead to automatic redemption by the Mutual Fund on the applicable Net Asset Value on the 15th day of the notice period.
- Neither this Offer Document nor the units have been registered in any jurisdiction. The distribution of this Offer Document in certain jurisdictions may be restricted or subject to registration requirements and, accordingly, persons who come into possession of this Offer Document in such jurisdictions are required to inform themselves about, and to observe, any such restrictions. No person receiving a copy of this offer document or any accompanying application form in such jurisdiction may treat this Offer Document or such application form as constituting an invitation to them to subscribe for Units, nor should they in any event use any such application form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such application form could lawfully be used.
- No person has been authorised to give any information or to make any representations not confirmed in this Offer Document in connection with this Offer or the issue of Units. Any information or representations not contained herein must not be relied upon as having been authorised by the Mutual Fund or the Investment Manager. Neither the delivery of this Offer Document nor any sale made hereunder shall, under any circumstances, create any implication that the information contained herein is correct as of any time subsequent to the close of the New Fund Offer. The Investor is requested to check the credentials of the individual/firm he/she is entrusting his/her application Form and payment to, for any transaction with the Fund.

The Fund/Trustee or the AMC shall not be responsible for any acts done by the intermediaries representing or purportedly representing such investor.

EXPLANATORY NOTE ON SPECIFIC RISKS IN CAPITAL MARKETS AND DEBT MARKETS

Investments in Financial Instruments are faced with the following kinds of risks.

1. Risks associated with Debt / Money Markets (i.e. Markets in which Interest bearing Securities or Discounted Instruments are traded)

a) Credit Risk:

Securities carry a Credit risk of repayment of principal or interest by the borrower. This risk depends on micro-economic factors such as financial soundness and ability of the borrower as also macro-economic factors such as Industry performance, Competition from Imports, Competitiveness of Exports, Input costs, Trade barriers, Favourability of Foreign Currency conversion rates, etc.

Credit risks of most issuers of Debt securities are rated by Independent and professionally run rating agencies. Ratings of Credit issued by these agencies typically range from "AAA" (read as "Triple A" denoting "Highest Safety") to "D" (denoting "Default"), with about 6 distinct ratings between the two extremes.

The highest credit rating (i.e. lowest credit risk) commands a low yield for the borrower. Conversely, the lowest credit rated borrower can raise funds at a relatively higher cost. On account of a higher credit risk for lower rated borrowers lenders prefer higher rated instruments further justifying the lower yields.

Sovereign risk: The Federal Government of a country (i.e. Central Govt. in case of India) is the issuer of the local currency in that country. The Government raises money to meet its Capital and Revenue expenditure by issuing Debt or Discounted Securities. Since payment of interest and principal amount has a sovereign status implying no default, such securities are known as securities with sovereign credit. For domestic borrowers and lenders, the credit risk on such Sovereign credit is near zero and is popularly known as "risk-free security" or "Zero-Risk security". Thus Zero-Risk is the lowest risk, even lower than a security with "AAA" rating and hence commands a yield, which is lower than a yield on "AAA" security.

b) Price-Risk or Interest-Rate Risk:

From the perspective of coupon rates, Debt securities can be classified in two categories, i.e., Fixed Income bearing Securities and Floating Rate Securities. In Fixed Income Bearing Securities, the Coupon rate is determined at the time of investment and paid/received at the predetermined frequency. In the Floating Rate Securities, on the other hand, the coupon rate changes - 'floats' - with the underlying benchmark rate, e.g., MIBOR, 1 yr. Treasury Bill.

Fixed Income Securities (such as Government Securities, bonds, debentures and money market instruments) where a fixed return is offered, run price-risk. Generally, when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, the payment-frequency of such coupon, days to maturity and the increase or decrease in the level of interest rates. The prices of Government Securities (existing and new) will be influenced only by movement in interest rates in the financial system. Whereas, in the case of corporate or institutional fixed income securities, such as bonds or debentures, prices are influenced not only by the change in interest rates but also by credit rating of the security and liquidity thereof.

The following table indicates the likely impact of interest rate

changes on prices of Government Securities. It will be seen that if interest rate rises by 1%, the prices of Government Securities fall in the range of 0.48% and 6.41% of the prices. On the other hand, if the interest rate declines by 1%, the prices rise in the range of 0.48% to 6.98% for respective maturities shown by way of an illustration in the table below.

Existing Government Securities		If Interest rate changes by	
Security Maturity	Coupon % p.a.	1% point ↑	1% point ↓
		then Price changes by	
6 Month	7.15	0.48% ↓	0.48 % ↑
12 Month	7.30	0.92% ↓	0.94 % ↑
3 Year	7.45	1.78 % ↓	1.81 % ↑
5 Year	7.51	4.42 % ↓	4.64 % ↑
10 Year	7.55	6.41 % ↓	6.98 % ↑

The NAV of the Units of the Scheme can go up or down due to the price fluctuations caused by various factors that affect the money markets.

Floating rate securities issued by a government (coupon linked to treasury bill benchmark or a real return inflation linked bond) have the least sensitivity to interest rate movements, as compared to other securities. The Government of India has already issued a few such securities and the Investment Manager believes that such securities may become available in future as well. These securities can play an important role in minimizing interest rate risk on a portfolio.

c) Risk of Rating Migration:

The following table illustrates the impact of change of rating (credit worthiness) on the price of a hypothetical AA rated security with a maturity period of 3 years, a coupon of 10.00% p.a. and a market value of Rs. 100. If it is downgraded to A category, which commands a market yield of, say, 11.50% p.a., its market value would drop to Rs. 98.76 (i.e. 1.24%) If the security is up-graded to AAA category which commands a market yield of, say, 9.60% p.a. its market value would increase to Rs103.48 (i.e. by 3.48%). The figures shown in the table are only indicative and are intended to demonstrate how the price of a security can be affected by change in credit rating.

Rating	Yield(% p.a.)	Market Value(Rs.)
AA	11.00	100.00
If upgraded to AAA	9.60	103.48
If downgraded to A	11.50	98.76

d) Basis Risk:

During the life of floating rate security or a swap the underlying benchmark index may become less active and may not capture the actual movement in the interest rates or at times the benchmark may cease to exist. These types of events may result in loss of value in the portfolio. Where swaps are used to hedge an underlying fixed income security, basis risk could arise when the fixed income yield curve moves differently from that of the swap benchmark curve.

e) Spread Risk:

In a floating rate security the coupon is expressed in terms of a spread or mark up over the benchmark rate. However depending upon the market conditions the spreads may move adversely or favourably leading to fluctuation in NAV.

f) Reinvestment Risk:

Investments in fixed income securities may carry reinvestment risk as interest rates prevailing on the interest or maturity

due dates may differ from the original coupon of the bond. Consequently the proceeds may get invested at a lower rate.

g) Liquidity Risk:

The corporate debt market is relatively illiquid vis-a-vis the government securities market. There could therefore be difficulties in exiting from corporate bonds in times of uncertainties. Liquidity in a scheme therefore may suffer. Even though the Government Securities market is more liquid compared to that of other debt instruments, on occasions, there could be difficulties in transacting in the market due to extreme volatility or unusual constriction in market volumes or on occasions when an unusually large transaction has to be put through. Liquidity of Kotak Gilt Scheme may suffer if the guidelines issued by RBI for dedicated Gilts Funds undergo adverse changes. In view of this, redemption may be limited or suspended after approval from the Boards of Directors of the AMC and the Trustee, under certain circumstances as described elsewhere in this Offer Document.

h) Potential Loss associated with Derivative Trading pertaining to Debt Markets

The use of an Interest Rate Swap ('IRS') does not eliminate the credit (default) risk on the original investment. While the fixed to floating rate IRS reduces interest rate risk caused by rise in interest rates, it also restricts the profit in case interest rates decline. In case of a floating to fixed rate swap, any subsequent rise in interest rates will result in a loss like in any fixed rate investment. Any IRS carries the risk of default of the counter party to the swap, which may lead to a loss. Such loss is usually, a small proportion of the notional principal amount of the swap.

g) Potential Loss associated with investments in Securitised Debt

The Scheme may from time to time invest in domestic securitised debt, for instance, in asset backed securities or mortgage backed securities. Typically, investments in securitised debt carry credit risk (where credit losses in the underlying pool exceed credit enhancement provided) and the reinvestment risk (which is higher as compared to the normal corporate or sovereign debt). The underlying assets in securitised debt are receivables arising from automobile loans, personal loans, loans against consumer durables, loans backed by mortgage of residential / commercial properties, etc.

ABS/MBS instruments reflect the proportionate undivided beneficial interest in the pool of loans and do not represent the obligation of the issuer of ABS/MBS or the originator of the underlying receivables. Investments in securitised debt is largely guided by following factors :

- Attractive yields i.e. where securitised papers offer better yields as compared to the other debt papers and also considering the risk profile of the securitised papers.
- Diversification of the portfolio
- Better performance

Broadly following types of loans are securitised:

- Auto Loans (cars / commercial vehicles /two wheelers)
- Residential Mortgages or Housing Loans
- Consumer Durable Loans
- Personal Loans
- Single Loan PTCs

Auto Loans

The underlying assets (cars etc.) are susceptible to depreciation in value whereas the loans are given at high loan to value ratios. Thus, after a few months, the value of asset becomes lower than the loan outstanding. The

borrowers, therefore, may sometimes tend to default on loans and allow the vehicle to be repossessed.

These loans are also subject to model risk. i.e. if a particular automobile model does not become popular, loans given for financing that model have a much higher likelihood of turning bad. In such cases, loss on sale of repossession vehicles is higher than usual.

Commercial vehicle loans are susceptible to the cyclical nature in the economy. In a downturn in economy, freight rates drop leading to higher defaults in commercial vehicle loans. Further, the second hand prices of these vehicles also decline in such economic environment.

Housing Loans

Housing loans in India have shown very low default rates historically. However, in recent years, loans have been given at high loan to value ratios and to a much younger borrower classes. The loans have not yet gone through the full economic cycle and have not yet seen a period of declining property prices. Thus the performance of these housing loans is yet to be tested and it need not conform to the historical experience of low default rates.

Consumer Durable Loans

- The underlying security for such loans is easily transferable without the bank's knowledge and hence repossession is difficult.
- The underlying security for such loans is also susceptible to quick depreciation in value. This gives the borrowers a high incentive to default.

Personal Loans

These are unsecured loans. In case of a default, the bank has no security to fall back on. The lender has no control over how the borrower has used the borrowed money. Further, all the above categories of loans have the following common risks:

- All the above loans are retail, relatively small value loans. There is a possibility that the borrower takes different loans using the same income proof and thus the income is not sufficient to meet the debt service obligations of all these loans.
- In India, there is no ready database available regarding past credit record of borrowers. Thus, loans may be given to borrowers with poor credit record.
- In retail loans, the risks due to frauds are high.

Single Loan PTC

A single loan PTC is a securitization transaction in which a loan given by an originator (Bank/ NBFC/ FI etc.) to a single entity (obligor) is converted into pass through certificates and sold to investors. The transaction involves the assignment of the loan and the underlying receivables by the originator to a trust, which funds the purchase by issuing PTCs to investors at the discounted value of the receivables. The PTCs are rated by a rating agency, which is based on the financial strength of the obligor alone, as the PTCs have no recourse to the originator.

The advantage of a single loan PTC is that the rating represents the credit risk of a single entity (the obligor) and is hence easy to understand and track over the tenure of the PTC. The primary risk is that of all securitized instruments, which are not traded as often in the secondary market and hence carry an illiquidity risk. The structure involves an assignment of the loan by the originator to the trustee who then has no interest in monitoring the credit quality of the originator. The originator that is most often a bank is in the best position to monitor the credit quality of the originator. The investor then has to rely on an external rating agency to monitor the PTC.

2. Risks associated with Capital Markets or Equity Markets (i.e. Markets in which Equity Shares or Equity oriented instruments are issued and traded)

a. Price fluctuations and Volatility:

Mutual Funds, like securities investments, are subject to market and other risks and there can be neither a guarantee against loss resulting from an investment in the Scheme nor any assurance that the objective of the Scheme will be achieved. The NAV of the Units issued under the Scheme can go up or down because of various factors that affect the capital market in general, such as, but not limited to, changes in interest rates, government policy and volatility in the capital markets. Pressure on the exchange rate of the Rupee may also affect security prices.

b. Concentration / Sector Risk:

When a Mutual Fund Scheme, by mandate, restricts its investments only to a particular sector; there arises a risk called concentration risk. If the sector, for any reason, fails to perform, the portfolio value will plummet and the Investment Manager will not be able to diversify the investment in any other sector. Investments under this scheme will be in a portfolio of diversified equity or equity related stocks spanning across a few selected sectors. Hence the concentration risks could be high.

c. Liquidity Risks:

Liquidity in Equity investments may be affected by trading volumes, settlement periods and transfer procedures. These factors may also affect the Scheme's ability to make intended purchases/sales, cause potential losses to the Scheme and result in the Scheme missing certain investment opportunities. These factors can also affect the time taken by KMMF for redemption of Units, which could be significant in the event of receipt of a very large number of redemption requests or very large value redemption requests. In view of this, redemption may be limited or suspended after approval from the Boards of Directors of the AMC and the Trustee, under certain circumstances as described elsewhere in this Offer Document.

3. Potential Loss associated with Derivative Trading pertaining to Equity Markets

- In case of investments in index futures, the risk would be the same as in the case of investments in a portfolio of shares representing an index. The extent of loss is the same as in the underlying stocks. In case futures are used for hedging a portfolio of stocks, which is different from the index stocks, the extent of loss could be more or less depending on the coefficient of variation of such portfolio with respect to the index; such coefficient is known as Beta.
- The risk (loss) for an options buyer is limited to the premium paid, while the risk (loss) of an options writer is unlimited, the latter's gains being limited to the premiums earned. However, in the case of KMMF, all option positions will have underlying assets and therefore all losses due to price-movement beyond the strike price will actually be an opportunity loss. The writer of a put option bears a risk of loss if the value of the underlying asset declines below the exercise price. The writer of a call option bears a risk of loss if the value of the underlying asset increases above the exercise price.

4. Potential Loss associated with Stock Lending

The schemes may deal in stock lending transactions to the extent and on the terms permitted by SEBI guidelines. If the schemes participate in any stocklending deals, the additional risk is that there can be temporary illiquidity of the securities that are lent out and the Fund may not be able to sell such lent-out securities, resulting in an opportunity loss. In case of a default by counterparty, the loss to the Fund can be

equivalent to the securities lent.

Scheme-specific Risks factors

a) Kotak Gilt

The Portfolio of Kotak Gilt Investment Plan and Kotak Gilt Savings Plan will comprise predominantly of Securities issued by the Central or State Government and to a lesser extent Reverse Repo. As such, there would be Zero-Credit Risk. For Kotak Gilt Investment Plan, since there is no restriction on the maturity of the securities, there would be moderate to high Price-risk or Interest-rate risk. For Kotak Gilt Savings Plan, since there is a restriction on weighted average maturity of the securities - i.e. four years, there would be low Price-risk or Interest-rate risk.

b) Kotak Bond

The Portfolio of Kotak Bond will comprise predominantly of Debt and Money Market instruments issued by Corporates, and to a lesser extent those issued by Central or State Governments. As such, there would be Moderate Credit Risk. Since upto 90% of the portfolio may be invested in securities maturing more than one year, there would be moderate to high Price-risk or Interest-rate risk.

c) Kotak Bond Short Term Plan

The Portfolio of Kotak Bond Short Term Plan will comprise predominantly of Debt and Money Market instruments issued by Corporates, and to a lesser extent those issued by Central or State Governments. As such, there would be Moderate Credit Risk. Since over 50% of the investment will be in securities maturing in less than one year, there would be low Price-risk or Interest-rate risk.

d) Kotak Liquid

The portfolio of Kotak Liquid will comprise predominantly of Debt and Money Market instruments issued by Corporates, and to a lesser extent those issued by Central or State Governments. As such, there would be Moderate Credit Risk. Also, investment will be in securities at the lower end of the yield curve and as such there would be low Price-risk or Interest-rate risk.

e) Kotak Floater Short Term Scheme

The portfolio of Kotak Floater Short Term Scheme will comprise predominantly of Debt and Money Market instruments issued by Corporates, and to a lesser extent those issued by Central or State Governments. As such, there would be Moderate Credit Risk. Since over 65% of the investment will be in securities having floating rates of interest or those having outstanding maturing of upto 182 days, there would be very low Price-risk or Interest-rate risk.

f) Kotak Income Plus

The portfolio of Kotak Income Plus will comprise predominantly of debt and money market instruments and upto 20% in equity and equity related instruments. Thus the scheme will have the risks of both the capital markets and the debt markets.

g) Kotak Flexi Debt

The Scheme may invest in government securities, corporate bonds and money market instruments. While the liquidity risk for money market instruments and short maturity corporate bonds may be low, it may be high in case of medium to long maturity corporate bonds. The Scheme may also be exposed to price risk in case of government securities and corporate bonds arising out of the interest rate risk. The investments in corporate bonds could also lead to a credit risk.

h) Kotak Floater Long Term

The Portfolio of Kotak Floater Long Term Scheme will comprise predominantly of Debt and Money Market instruments issued by Corporates, and to a lesser extent those issued by Central or State Governments. As such, there would be Moderate

Credit Risk. Since over 65% of the investment will be in securities having floating rates of interest or other debt securities having outstanding maturing of upto 182 days, there would be very low Price-risk or Interest-rate risk.

i) Kotak 30

The portfolio of Kotak 30 will comprise predominantly of Equity and Equity Related instruments and there would be Moderate to High risk on account of Price Fluctuations and Volatility. Since this is not a sector scheme and plans to invest generally in upto 30 scrips but not exceeding 39 stocks, the Concentration and Sector Risks are low. The Liquidity risks are also expected to be low. Some investments may also be made in Equity based derivatives such as Options and Futures, in which case, the risks associated with such Derivatives would be also be applicable.

j) Kotak Balance

The portfolio of Kotak Balance will comprise predominantly of Equity and Equity Related instruments and there would be Moderate to High risk on account of Price Fluctuations and Volatility. Since this is not a sector scheme, the Concentration and Sector Risks are low. The Liquidity risks are also expected to be low. Some investments may also be made in Equity based derivatives such as Options and Futures, in which case, the risks associated with such Derivatives would be also be applicable. Since upto 49% of the portfolio may be invested in Debt and Money market securities, there would be Moderate Credit Risk and Moderate to Low Interest rate/Price risk.

k) Kotak Tech

The portfolio of Kotak Tech will comprise predominantly of Equity and Equity Related instruments and there would be Moderate to High risk on account of Price Fluctuations and Volatility. The technology companies heavily depend on export of the services, resulting in foreign currency risk. Technology stocks including information technology are particularly volatile given the high valuation enjoyed by such stocks. Also, technologies are prone to obsolescence, which may lead to erosion in value. Since this is a sector scheme, the Concentration and Sector Risks are High. The Liquidity risks are expected to be Moderate to High. Some investments may also be made in Equity based derivatives such as Options and Futures, in which case, the risks associated with such Derivatives would be also be applicable.

l) Kotak MNC

The portfolio of Kotak MNC will comprise predominantly of Equity and Equity Related instruments and there would be Moderate to High risk on account of Price Fluctuations and Volatility. Since this scheme plans to invest in MNC stocks only, the Concentration and Sector Risks are Moderate to High. The Liquidity risks are also expected to be Moderate to High. Some investments may also be made in Equity based derivatives such as Options and Futures, in which case, the risks associated with such Derivatives would be also be applicable.

m) Kotak Global India Scheme

Risks pertaining to investments in Globally Competitive Companies

- Companies with large international businesses would be exposed to higher currency risk
- Volatility in international trading environment could have an adverse impact on these companies
- Changes in Indian government policies towards exports may impact business prospects for these companies
- Lack of proper infrastructure might impede the growth of manufacturing sector
- Indian exports might encounter tariff /non-tariff barriers in some countries

n) Kotak Opportunities

- The portfolio of Kotak Opportunities will comprise predominantly of Equity and Equity Related instruments and there would be Moderate to High risk on account of Price Fluctuations and Volatility. The Scheme can have concentrated exposure to some sectors (weightages may be different from benchmark index). Hence the performance of the Scheme can be different from the performance of the benchmark and the Concentration / Sector Risks are moderate.
- The Scheme can have at a particular time significant exposure to mid-cap companies. Due to this, the beta of the Scheme could be higher vis-à-vis benchmark index. The liquidity risk is moderate as the liquidity in some of the mid cap stocks is low and may impact the Scheme if there is sudden large redemption.
- The Liquidity risks are also expected to be low. Some investments may also be made in Equity based derivatives such as Options and Futures, in which case, the risks associated with such Derivatives would also be applicable.
- Since some portion of the portfolio may be invested in Debt and Money market securities, there would be Moderate Credit Risk and Moderate to Low Interest rate/Price risk.
- The Scheme has the flexibility to invest upto 35% in money market instruments and debt securities, and if there is a sharp upward movement in the market, the Scheme can under perform the benchmark index.

o) Kotak Midcap

The portfolio of Kotak Midcap Scheme will comprise predominantly of midcap equity stocks and there would be Moderate to High risk on account of Price Fluctuations and Volatility. The ability of the Midcap companies to withstand the changes in business cycle is limited, which may also lead to higher volatility in the stock prices of such midcap stocks. Since this is not a sector scheme and plans to invest across sectors, the Concentration and Sector Risks are low. Since the liquidity of midcap stocks is relatively lower than large cap stocks, the Liquidity risks are also expected to be relatively higher. Some investments may also be made in Equity based derivatives such as Options and Futures, in which case, the risks associated with such Derivatives would also be applicable. Since some portion of the portfolio may be invested in Debt and Money market securities, there would be Moderate Credit Risk and Moderate to Low Interest rate/Price risk.

p) Kotak Contra

- The portfolio of Kotak Contra Scheme will comprise predominantly of Equity and Equity Related instruments and there would be Moderate to High risk on account of Price Fluctuations and Volatility. The Scheme can have concentrated exposure to some sectors (weightage may be different from benchmark index). Hence the performance of the Scheme can be different from the performance of the benchmark and the Concentration / Sector Risks are moderate. The scheme shall face the risk of misjudging the prospectus and valuations of a company. Since the Scheme will invest in companies, which are fundamentally sound having attractive valuations, the liquidity risk is moderate and may impact the Scheme if there is sudden large redemption.
- Some investments may also be made in Equity based derivatives such as Options and Futures, in which case, the risks associated with such Derivatives would be also be applicable.
- Since some portion of the portfolio may be invested in Debt and Money market securities, there would be Moderate

Credit Risk and Moderate to Low Interest rate/Price risk.

- The Scheme has the flexibility to invest upto 35% in money market instruments and debt securities, and if there is a sharp upward movement in the market the Scheme can under perform the benchmark index.

q) Kotak Equity Arbitrage Fund

- In case of a large redemption, the scheme may need to reverse the spot-futures transaction before the date of futures' settlement. This eventuality may lead to the basis risk.
- While reversing the spot-futures transaction on the Futures & Options settlement day on the National Stock Exchange, there could be a risk of volume-weighted-average-price of the market being different from the price at which the actual reversal is processed. This may result in basis risk.

r) Kotak Lifestyle

- The Scheme will invest in companies, which are likely to benefit by the increase in the household expenditure in India. In the process, the scheme will not invest in export-oriented businesses like IT, BPO, manufactured exports etc. Hence the scheme has moderate to low concentration risk.
- Since the scheme proposes to capture the growth in domestic demand, the slowdown in the domestic economy may affect the performance of the scheme.

All the above factors may not only affect the prices of securities but also the time taken by the Fund for redemption of Units, which could be significant in the event of receipt of a very large number of redemption requests or very large value redemption requests. The liquidity of the assets may be affected by other factors such as general market conditions, political events, bank holidays and civil strife. In view of this, redemption may be limited or suspended after approval from the Boards of Directors of the AMC and the Trustee, under certain circumstances as described elsewhere in this Offer Document.

SPECIAL CONSIDERATIONS

Anti Money Laundering:

Kotak Mahindra Mutual Fund is committed to complying with the provisions of Prevention of Money Laundering Act, 2002 and the rules made thereunder. Further, SEBI has also issued guidelines on Anti Money Laundering which are required to be followed by the intermediaries. Kotak Mahindra Mutual Fund recognises the value and importance of creating a business environment that strongly discourages money launderers from using Kotak Mahindra Mutual Fund. To that end, certain policies have been adopted by KMAMCL.

Know Your Customer (KYC):

The need to "Know Your Customer" is vital for the prevention of money laundering. KMAMCL may seek information or obtain and retain documentation used to establish identity of the subscribers to Kotak Mahindra Mutual Funds or existing unitholders. It may re-verify identity and obtain any missing or additional information for this purpose.

KMAMCL, under powers delegated by the Trustee, shall have absolute discretion to reject any application, or prevent further transactions by a Unit Holder, if after due diligence, the investor / Unit Holder / a person making the payment on behalf of the investor does not fulfill the requirements of the "Know Your Customer" or KMAMCL believes that the transaction is suspicious in nature as regards money laundering. In this behalf KMAMCL reserves the right to reject any application and/or effect a mandatory Redemption of Units allotted at any time prior to the expiry of 30 Working Days from the date of the application. If the payment for Purchase of Units are made by a third party (e.g. a Power of Attorney Holder, a Financing agency,

a relative, etc.), the Unit Holder may be required to give such details of such transaction so as to satisfy the AMC of the source and / or consideration underlying the transaction.

PAN being mandatory for mutual funds:

As per Securities and Exchange Board of India (SEBI) Circular dated April 27, 2007, Permanent Account Number (PAN) shall be the sole identification number for all participants transacting in the securities market, irrespective of the amount of transaction with effect from January 1, 2008.

In view of the above, it is mandatory for all existing and prospective investors (including joint holders, guardians of minors and NRIs) to enclose a copy of PAN card to the application for investing in mutual fund schemes.

The applicant or in the case of application in joint names, each of the applicants, should mention his/her permanent account number (PAN) allotted under the Income Tax Act, 1961, along with a proof of the PAN.

The copy of the PAN card as required above shall be attested by the distributor/broker through whom transaction is done OR if the transaction is done directly at the office of the Kotak Mutual Fund or at investment service centers of CAMS (Registrar), the original PAN card may be produced for verification.

Transactions by unit holders/investors who fail to submit copy of PAN are liable to be rejected.

The investors should ensure that the amount invested in the Scheme is through legitimate sources only and does not involve and are not designed for the purpose of any contravention or evasion of any Act, Rules, Regulations, Notifications or Directions under the provisions of Income Tax Act, Anti Money Laundering Act, Anti Corruption Act and or any other applicable laws enacted by the Government of India from time to time.

Any application may be accepted or rejected at the sole and absolute discretion of the Trustee.

DUE DILIGENCE CERTIFICATE

It is confirmed that:

1. the Offer Document forwarded to SEBI is in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended up to date and the guidelines and directives issued by SEBI from time to time;
2. all legal requirements connected with the launching of the Scheme as also the guidelines, instructions, etc., issued by the Government and any other competent authority in this behalf, have been duly complied with;
3. the disclosures made in the Offer Document are true, fair and adequate to enable the investors to make a well-informed decision regarding investment in the Scheme;
4. according to the information given to us, Computer Age Management Services Private Limited, the Registrar and Transfer Agent, is registered with SEBI and till date such registration is valid; and
5. according to the information given to us, Deutsche Bank AG and Standard Chartered Bank., the Custodians, are registered with SEBI and till date such registration is valid.

For **Kotak Mahindra Asset Management Company Limited**
Investment Manager-Kotak Mahindra Mutual Fund

Place : Mumbai
Date : January 21, 2008

V. R. Narasimhan
Chief Compliance Officer

II. DEFINITIONS AND ABBREVIATIONS

In this Offer Document, the following words and expressions shall have the meaning specified below, unless the context otherwise requires:

Applicable NAV	Unless stated otherwise in the Offer Document, 'Applicable NAV' is the Net Asset Value at the close of a Working Day as of which purchase or redemption is sought by an investor and determined by the Fund.
Asset Management Company or AMC or Investment Manager	Kotak Mahindra Asset Management Company Limited, the Asset Management Company incorporated under the Companies Act, 1956, and authorised by SEBI to act as Investment Manager to the Schemes of Kotak Mahindra Mutual Fund.
Bonus Option	Under the Bonus option, the Fund may issue by way of bonus Units, the surplus by way of realised profit, dividends and interest, net of losses, expenses and taxes, if any, to Unitholders, if such surplus is available and adequate for distribution in the opinion of the Trustee.
	The Trustee's decision with regard to the availability and adequacy of surplus, ratio, timing and frequency of issue of bonus Units shall be final. The bonus Units shall be issued to only those Unitholders whose names appear in the register of Unitholders of the Option on the record date, which shall be announced in advance.
Contingent Deferred Sales Charge/CDSC	Exit charge permitted under the Regulations for a No Load Scheme.
Continuous Offer	Offer of Units under the Schemes, when they become Open-ended after the closure of their respective New Fund Offers.
Custodian	Deutsche Bank AG and Standard Chartered Bank, acting as Custodians to the Scheme, or any other Custodian appointed by the Trustee.
Dividend Option	<p>Under the Dividend option, the Trustee may at any time decide to distribute by way of dividend, the surplus by way of realised profit and interest, net of losses, expenses and taxes, if any, to Unitholders if, in the opinion of the Trustee, such surplus is available and adequate for distribution. The Trustee's decision with regard to such availability and adequacy of surplus, rate, timing and frequency of distribution shall be final. The Trustee may or may not distribute surplus, even if available, by way of dividend.</p> <p>The dividend will be paid to only those Unitholders whose names appear on the register of Unitholders of the Scheme / Option at the close of the business hours on the record date, which will be announced in advance. The Fund is required to dispatch dividend warrants within 30 days of the date of declaration of the dividend.</p> <p>The Dividend Option will be available under two sub-options – the Payout Option and the Reinvestment Option.</p> <p><i>Dividend Payout Option:</i> Unitholders will have the option to receive payout of their dividend by way of dividend warrant or any other means which can be encashed or by way of direct credit into their account.</p> <p><i>Dividend Reinvestment Option:</i> Under the reinvestment option, dividend amounts will be reinvested in the Dividend Reinvestment Option at the Applicable NAV announced immediately following the record date. No entry loads will be charged on units allotted as a result of dividend reinvestment.</p> <p>However, the Trustees reserve the right to introduce new options and / or alter the dividend payout intervals, frequency, including the day of payout.</p>
Entry Load	The charge that is paid by a Unitholder when he invests an amount in a Scheme
Exit Load	The charge that is paid by a Unitholder when he redeems Units from a Scheme
FII	Foreign Institutional Investors, registered with SEBI under Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995.
G-7	The Group of seven developed nations comprising USA, UK, Canada, France, Germany, Italy and Japan.
Gilts/Government Securities	Securities created and issued by the Central Government and/or State Government.
Growth Option	Under the Growth option, there will be no distribution of income and the return to investors will be only by way of capital gains, if any, through redemption at applicable NAV of Units held by them.
IMA	Investment Management Agreement dated 20 th May, 1996, entered into between the Fund (acting through the Trustee) and the AMC and as amended up to date, or as may be amended from time to time.
Investor Service Centres or ISCs	Designated branches of the AMC / other offices as may be designated by the AMC from time to time.
Kotak Bank/ Sponsor	Kotak Mahindra Bank Limited.
KMMF/Fund/ Mutual Fund	Kotak Mahindra Mutual Fund, a trust set up under the provisions of The Indian Trusts Act, 1882.
KMTCL/Trustee	Kotak Mahindra Trustee Company Limited, a company set up under the Companies Act, 1956, and authorised by SEBI to act as the Trustee for the Schemes of Kotak Mahindra Mutual Fund.
Money Market Instruments	Includes commercial papers, commercial bills, treasury bills, Government securities having an unexpired maturity upto one year, call or notice money, certificate of deposit, usance bills, and any other like instruments as specified by the Reserve Bank of India from time to time.

MIBOR	The Mumbai Interbank Offered Rate published once every day by the National Stock Exchange and published twice every day by Reuters, as specifically applied to each contract.
Mutual Fund Regulations/Regulations	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended up to date, and such other regulations as may be in force from time to time.
NAV	Net Asset Value of the Units of each Scheme as calculated in the manner provided in this Offer Document or as may be prescribed by Regulations from time to time. The NAV is computed upto three decimal places in case of Equity/Balanced Schemes and four decimal places in case of Debt Schemes.
NRI	Non-Resident Indian; and person of Indian origin as defined in the Foreign Exchange Management Act, 1999.
Offer Document / Combined Offer Document	This document issued by Kotak Mahindra Mutual Fund, offering for subscription Units of the Schemes.
Purchase Price	Purchase Price, to an investor, of Units under any of the Schemes (including Plans and Options, if any, thereunder).
Redemption Price	Redemption Price to an investor of Units under any of the Schemes (including Plans and Options, if any, thereunder).
Registrar	Computer Age Management Services Private Limited ('CAMS'), acting as Registrar to the Schemes, or any other Registrar appointed by the AMC.
Repo	Sale of securities with simultaneous agreement to repurchase them at a later date.
Reserve Bank of India/RBI	Reserve Bank of India, established under the Reserve Bank of India Act, 1934.
Reverse Repo	Purchase of securities with a simultaneous agreement to sell them at a later date.
Risk – Free	Absence of credit risk i.e. no risk of default on payment of principal and interest.
Schemes	Kotak Gilt, Kotak Bond, Kotak Bond Short Term Plan, Kotak Liquid, Kotak Floater Short Term Scheme, Kotak Floater Long Term Scheme, Kotak Flexi Debt, Kotak Income Plus, Kotak 30, Kotak Balance, Kotak Tech, Kotak MNC, Kotak Global India, Kotak Contra, Kotak Opportunities, Kotak Equity Arbitrage, Kotak Midcap, and Kotak Lifestyle, collectively referred to as 'the Schemes' and individually, as the context permits, as 'the Scheme'. All references to the Scheme(s) would deem to include the Plans and Options thereunder unless specifically mentioned.
SEBI	The Securities and Exchange Board of India.
Transaction Points	Centres designated by the Registrar, to accept investor transactions and scan them for handling by the nearest ISC.
Trust Deed	The Trust Deed entered into on 20th May, 1996 between the Sponsor and the Trustee, as amended up to date, or as may be amended from time to time.
Trust Fund	The corpus of the Trust, Unit capital and all property belonging to and/or vested in the Trustee.
Unit	The interest of the investors in any of the Schemes, which consists of each Unit representing one undivided share in the assets of the Schemes.
Unitholder	A person who holds Unit(s) under any Scheme.
Valuation Day	For the respective Scheme, each Working Day and any other day when the capital and/or money markets are open in Mumbai.
Working Day	<p>For Debt Schemes</p> <p>A day other than:</p> <ol style="list-style-type: none"> i. Saturday and Sunday, ii. A day on which the banks in Mumbai and RBI are closed for business/clearing. iii. A day on which Purchase and Redemption is suspended by the AMC. iv. A day on which the money markets are closed/not accessible. <p>For Equity Schemes</p> <p>A day other than:</p> <ol style="list-style-type: none"> (i) Saturday and Sunday, (ii) A day on which Purchase and Redemption is suspended by the AMC, (iii) Banks are closed in India (iv) a day on which both the National Stock Exchange and the Bombay Stock Exchange are closed. <p>Additionally, the days when the banks in any location where the AMC's Investor service center are located, are closed due to local holiday, such days will be treated as non business days at such centers for the purpose of accepting subscriptions. However if the Investor service center in such location is open on such local holidays, only redemption and switch request will be accepted at those centers provided it is a business day for the scheme.</p> <p>The AMC reserves the right to change the definition of business day. The AMC reserves the right to declare any day as a business day or otherwise at any or all ISCs.</p>
Words and Expressions used in this Offer Document and not defined	Same meaning as in Trust Deed.

III. CONSTITUTION OF THE FUND

A. THE FUND

Kotak Mahindra Mutual Fund (KMMF) has been established as a Trust under the Indian Trusts Act, 1882. The Trust Deed establishing KMMF and the Deed of Amendment has been registered under the Registration Act, 1908 by the office of the Sub-Registrar of Assurances at Mumbai. KMMF has been registered with SEBI vide registration number MF/038/98/1 dated 23rd June 1998.

B. SPONSOR COMPANY

Kotak Mahindra Bank Limited

The erstwhile Sponsor Company, Kotak Mahindra Finance Limited (KMFL) was converted into Kotak Mahindra Bank Limited (Kotak Bank) in March 2003 after being granted a banking license by the Reserve Bank of India. Thus, the Sponsor of the Fund is Kotak Bank. KMFL promoted by Mr. Uday S. Kotak, Mr. S.A.A. Pinto and Kotak & Co., was incorporated on November 21, 1985 under the name Kotak Capital Management Finance Limited. In early 1986, the promoters were joined by Late Mr. Harish Mahindra and Mr. Anand G. Mahindra and the Company's name was changed to Kotak Mahindra Finance Limited.

Mr. Uday Kotak, a scion of the Kotak family, was an outstanding student through school, Sydenham College (Bombay University) and Jamanalal Bajaj Institute of Management Studies (Bombay University). Mr. S. A. A. Pinto, trained as a lawyer, has held senior positions in well-known organisations like ICI and Grindlays Bank. For instance, he was part of the team in Grindlays Bank, which started the first merchant banking unit in India in 1968. Mr. Harish Mahindra an industrialist of repute played a prominent role in social service and public life, thereby earning him high esteem. Mr. Anand Mahindra, an MBA from Harvard University, is the Managing Director of one of India's most reputed industrial firms, Mahindra & Mahindra Limited.

KMFL started with a capital base of Rs. 30.88 lakh. From being a provider of a single financial product, KMFL grew substantially during the seventeen years of its existence into a highly diversified financial services company and has now converted into a Bank. As on March 31, 2007, the net worth (capital plus reserves & surplus) of Kotak Bank is Rs. 1,633.50 crore and combined with its subsidiaries, the Group net worth (before minority interest) is Rs. 3,232.96 crore. There are over 46,000 shareholders of Kotak Bank. The Sponsor and its subsidiaries/associates offer wide ranging financial services such as loans, lease and hire purchase, consumer finance, home loans, commercial vehicles and car finance, investment banking, stock broking, mutual funds, primary market distribution of equity and debt products and life insurance. The group has offices (including representative offices and franchise offices) in 300 Indian cities and also present internationally in Mauritius, London, Dubai, New York and Singapore. Kotak Mahindra (UK) Limited, a subsidiary of Kotak Bank, is the first company owned from India to be registered with the Financial Services Authority in UK. Kotak Mahindra Old Mutual Life Insurance Limited is a joint venture between

Kotak Bank and Old Mutual Plc based in the UK and with large presence in the South African insurance market. Some of the other subsidiaries of Kotak Bank are Kotak Investment Advisors Ltd formerly known as (Kotak Mahindra Securities Limited), Kotak Mahindra Prime Limited, Kotak Mahindra (International) Limited, Kotak Mahindra Trusteeship Services Limited (formerly known as Kotak Mahindra Private-Equity Trustee Limited), Kotak Mahindra Investments Limited, Kotak Mahindra Inc., and Kotak Forex Brokerage Limited.

The Sponsor has been consistently profitable and dividend paying company since inception. All group companies are professionally run companies, employing over 10,800 employees, including CAs, MBAs and Engineers.

The Sponsor has contributed Rupees One Lakh as the initial contribution to the corpus for the setting up of the Trust. The Sponsor has also contributed Rupees One Lakh Fifty Thousand as additional corpus. The Sponsor has vested the trustee functions in the Trustee. The Sponsor is represented by directors on the boards of the Trustee and the AMC in accordance with the Regulations.

Given below is a summary of the Sponsor's financials:

(Rs. in crore)

Description	Year Ended March 31		
	2007	2006	2005
Total Income	1,637.76	936.95	552.38
Profit Before Tax	203.25	173.60	118.39
Profit After Tax	141.37	118.23	84.89
Reserves	1,307.34	543.45	627.55
Net Worth (capital plus reserves & surplus)	1,633.50	852.75	750.87
Earnings per Share (Rs.)	4.36	3.83	7.08
Book Value per Share (Rs.)	50.08	27.57	24.36
Dividend %	7%	6%	12.50%
Paid-up Equity Capital	326.16	309.29	123.32

Note: Prior period EPS and Book Value are not adjusted for bonus issue.

The Sponsor is neither responsible nor liable for any loss resulting from the operations of the Scheme.

C. TRUSTEE COMPANY (THE TRUSTEE)

Kotak Mahindra Trustee Company Limited (The Trustee), a company incorporated under the Companies Act, 1956, is the Trustee of the Fund, by virtue of the Trust Deed made between the Sponsor and the Trustee.

1. Directors

The Directors of the Trustee are:

Names and Addresses

Mr. Amit Krishnakant Desai
Advocate
 7, Shivtirth - 1,
 Bhulabhai Desai Road,
 Mumbai - 400 026
Chairman

Other Directorships

Minesota Finance Private Limited

Names and Addresses**Other Directorships****Mr. Girish Sharedalal****Chartered Accountant**

111, Landmark,
M. L. Dahanukar Marg,
Mumbai - 400 026

Mr. Tushar A. Mavani**Advocate**

Aryan Mahal, 6th Floor,
"C" Road, Churchgate,
Mumbai - 400 020

Mr. Anirudha Barwe**Director**

B-1, Bageshree,
Shankar Ghanekar Marg,
Prabhadevi, Mumbai - 400 025

Mr. Chandrashekhar Sathe**Service**

C-10, Shri Dattaguru Co-op.Hsg Society,
Deonar, Mumbai - 400 089

The Ruby Mills Limited
FDC Limited
Stovec Industries Limited
Stellar Asset Management Private Limited
Maulik & Kaji Financial Services Private Limited
Ratan Trading Private Limited
Trumac Engineering Company Pvt. Ltd.
Shanti Vijay Jewels Ltd.

Jain Irrigation Systems Limited
Sigma Laboratories Limited
IFCI Financial Services Limited
ILFS Investsmart India Limited
Zenith Birla (India) Ltd.
MSPL Ltd.
Kotak Investment Advisors Limited
Kotak Forex Brokerage Limited
Kotak Mahindra Trusteeship Services Ltd.
Kotak Mahindra Prime Limited
Infinitum Productions Pvt Ltd

Mr. Amit Desai, 48, is a graduate in Commerce and Law from the Bombay University. He is an advocate and has about 21 years of experience in criminal, economic and revenue laws.

Mr. Desai is associated with the Sponsor.

Mr. Girish Sharedalal, 75, is a graduate in Commerce and Arts and also a Fellow of the Institute of Chartered Accountants of India. Formerly a Senior Partner of Messrs Dalal, Desai and Kumana, a firm of Chartered Accountants, he has about 49 years of experience in the field of audit, taxation and management consultancy.

Mr. Tushar Mavani, 42, is a graduate in Commerce and Law from the Bombay University. He is a partner with Messrs Mulla & Mulla & Craigie Blunt & Caroe and has about 15 years of experience in the legal field.

Mr. Anirudha Barwe, 69, is a post-graduate in Mathematics and also a Certified Associate of Indian Institute of Bankers, Mumbai. Mr. Barwe has about 44 years of experience in the field of banking and financial services. Mr. Barwe was actively associated with and responsible to a great extent for the success of the Resurgent India Bond issue of SBI. Mr. Barwe retired as the Managing Director of SBI Capital Markets Limited in October 1998. After retirement, Mr. Barwe worked with IDFC as Chief Financial Officer for 3 years. He is on the Board of Directors of 6-7 companies and also as chairman of Audit/Remuneration Committees. He is also associated with Committees of NSE and BSE.

Mr. Chandrashekhar Sathe, 58, is a graduate with B. Tech. (Chemical Engineering) from IIT, Mumbai. He has over 31 years' experience in Banking and Finance. He has been a part of the Senior Management team of the Kotak Mahindra Group since 1992 and was responsible for setting up the Fixed Income Securities capability of Kotak Mahindra Capital Company. Prior to Kotak Mahindra, he was with the Bank of Nova Scotia and Bank of Maharashtra and has wide ranging experience in Banking, Finance, Administration, Credit, Foreign Exchange and Money Markets. Mr. Sathe is a widely consulted expert on Foreign Exchange and Money Markets

in India and is a frequent contributor to financial newspapers, magazines and TV News channels. Mr. Sathe was the Chief Executive Officer of the AMC for the period, 1st April, 1998 to 30th November, 2001 and currently heads the Risk Management function at Kotak Mahindra Bank Limited.

Mr. Sathe is associated with the Sponsor.

2. Rights, Obligations, Responsibilities and Duties of the Trustee

Pursuant to the Trust Deed constituting the Fund and in terms of the Regulations, the rights and obligations of the Trustee are as under:

1. The Trustee has the legal ownership of the Trust Fund. The general superintendence and management of the Trust and all powers incidental to the purpose of the trust vest absolutely in the Trustee subject to the Trust Deed.
2. The Trustee shall take into its custody or under its control all the capital and property of every Scheme of the Mutual Fund and hold it in trust for the Unitholders of the Scheme.
3. The Trustee is entitled to delegate any power and/or responsibility vested in it to the AMC, which is accountable to the Trustee and bound to carry out the functions assigned to it from time to time. Notwithstanding any such delegation, the Trustee Company is at all times responsible for the acts of negligence or acts of omission and commission of the AMC.
4. The Trustee shall ensure that the AMC and the Custodian duly fulfill the functions respectively assigned to them under the Mutual Fund Regulations.
5. The Trustee shall ensure before the launch of any Scheme that the Asset Management Company has:-
 - a) systems in place for its back office, dealing room and accounting;
 - b) appointed all key personnel including fund manager(s) for the Scheme and submitted to the Trustee their

- resume containing particulars of their educational qualifications and past experience in the securities market within fifteen days of their appointment;
- c) appointed auditors to audit the accounts of the Scheme;
 - d) appointed a compliance officer who shall be responsible for monitoring the compliance of the SEBI Act, rules and regulations, notifications, guidelines, instructions etc. issued by SEBI or the Central Government and for redressal of investors' grievances;
 - e) appointed registrars and laid down parameters for their supervision;
 - f) prepared a compliance manual and designed internal control mechanisms including internal audit systems; and
 - g) specified norms for empanelment of brokers and marketing agents.
6. In carrying out responsibilities, the Trustee shall maintain arms' length relationship with other companies, or institutions or financial intermediaries or any body corporate with which it may be associated.
 7. The Trustee shall not be liable to the Mutual Fund or the Unitholders, if the Mutual Fund suffers a decline in its net asset value or if any share or other security comprised in the Trust Fund depreciates in its market value or fails to achieve any increase therein, unless such decline, depreciation or failure is caused by the willful default or gross negligence of the Trustee.
 8. The Trustee shall not be under any liability on account of anything done or omitted to be done or suffered to be done by the Trustee in good faith, bona fide and after due diligence and care, in accordance with or on the advice of the AMC or any other professional person, firm or company.
 9. For avoidance of doubt, it is hereby agreed and declared that references to the Trustee in this clause shall be deemed to include references to the officers, servants and delegates of the Trustee.
 10. The Trustee shall ensure that the AMC has been managing the Scheme independently of other activities and has taken adequate steps to ensure that the interest of the investors of no Scheme is being compromised with that of the investors of other Schemes or of other activities of the AMC.
 11. The Trustee shall ensure that the Trust Fund shall be applied and be available absolutely for the purposes of the Trust and shall not be applied directly or indirectly for any purpose other than the purposes referred to under the Trust Deed.
 12. The Trustee shall call for a meeting of the Unitholders
 - a) whenever required to do so by SEBI in the interest of the Unitholders; or
 - b) whenever required to do so on the requisition made by three-fourths of the Unitholders of any Scheme; or
 - c) when the majority of the Directors of the Trustee Company decide to wind up or prematurely redeem the Units.
 13. The Trustee shall ensure that no change in the fundamental attributes of any scheme or the trust or fees and expenses payable or any other change which would modify the scheme and affects the interest of Unitholders, is carried out unless, -
 - i. a written communication about the proposed change

is sent to each Unitholder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the mutual fund is situated; and

- ii. the Unitholders are given an option to exit at the prevailing Net Asset Value without any Exit Load.
14. Subject to the provisions of the Mutual Fund Regulations as amended from time to time, the consent of the Unitholders shall be obtained, entirely at the option of the Trustee, either at a meeting of the Unitholders or through postal ballot. Only one Unitholder in respect of each folio or account representing a holding shall vote and he shall have one vote in respect of each resolution to be passed. The procedure of voting shall be as per the directives issued by SEBI, from time to time.
 15. The Trust Fund shall be held in trust and managed by the Trustee in accordance with the Trust Deed.
 16. The Trustee shall be accountable for, and be the custodian of, the funds and property of the respective Scheme and shall hold the same in trust for the benefit of the Unitholders in accordance with the Mutual Fund Regulations and the provisions of the Trust Deed.
 17. The Trust Deed shall not be amended without obtaining the prior approval of SEBI, and approval of the Unitholders shall be obtained where it affects their interests.
 18. The appointment of the AMC can be terminated by a majority of the Board of Directors of the Trustee or by 75% of the Unitholders of the Scheme.

Modifications, if any, in the rights and/or obligations and duties of the Trustee are on account of amendments to the Regulations and the Regulations supercede/override the provisions of the Trust Deed, wherever the two are in conflict.

The Compliance Officer reports directly to a director of the Trustee to carry out the supervisory role on behalf of the Trustee. In addition, the Trustee may seek any information from time to time from the AMC. A reputed firm of Chartered Accountants has been appointed to carry out internal audit of the Fund on a periodic basis to facilitate monitoring the activities of the AMC. On a quarterly basis, an activity report prepared by the AMC is discussed at the Board Meetings of the Trustee. During the year 2006-2007, eight meetings of the Board of Directors of the Trustee were held. During the period April 2007 till date five meetings of the Board of Directors of the Trustee were held. The Audit Committee, comprising four Directors of the Board of Directors of the Trustee, has been constituted pursuant to the SEBI circular MFD/CIR/010/024/2000 dated 17.01.2000 chaired by an Independent Director. The Audit Committee has had seven meetings during the year 2006-07. During the period April 2007 till date six meetings of the Audit Committee of the Trustee was held.

3. Trustee's Fee

The Trustee shall, during the continuance of this Trust and until KMMF is finally wound up and whether or not KMMF is in the course of administration by or under the order or discretion of any court, be entitled to receive, in addition to the reimbursement of all costs, charges and expenses, a sum at the rate of 0.050% per annum of the Trust Fund as defined under the Trust Deed, or a sum of Rs.15,00,000/-, whichever is higher, payable monthly.

B. ASSET MANAGEMENT COMPANY

Kotak Mahindra Asset Management Company Limited, a company incorporated under the Companies Act, 1956, was appointed to act as the Investment Manager of Kotak Mahindra Mutual Fund vide Investment Management

Agreement dated 20th May, 1996, as amended up to date. It is a wholly owned subsidiary of the Sponsor, Kotak Bank.

The Investment Manager is entitled to charge a management fee as prescribed by the Regulations for the services rendered by it to the Fund.

An approval by the Division of Funds, Investment Management Department under the SEBI (Portfolio Manager) Regulations, 1993 and Mutual Funds Division of SEBI under the SEBI ('Mutual Funds') Regulations, 1996,

has been granted to the Company for undertaking Portfolio Management Service (PMS). There is no conflict of interest between the Mutual Fund and the PMS activity.

1. Name and Address of the AMC

Kotak Mahindra Asset Management Company Limited
5A, 5th Floor, Bakhtawar, 229, Nariman Point,
Mumbai 400 021.

2. Directors on the Board of the AMC

Names and Addresses	Other Directorships
<p>Mr. Uday S. Kotak 62, NCPA Apartments, Dorabjee Tata Marg, Nariman Point, Mumbai - 400 021. Chairman</p>	<p>Kotak Mahindra Bank Limited - Executive Vice Chairman & Managing Director Kotak Mahindra Capital Company Limited - Chairman Kotak Mahindra Prime Limited - Chairman Kotak Securities Limited - Chairman Kotak Mahindra Old Mutual Life Insurance Company Limited – Chairman Kotak Forex Brokerage Limited The Mahindra United World College of India (Section 25 - Company) Indian Institute of Banking and Finance (Section 25 - Company) Indian Council For Research on International Economic Relations (Section 25 - Company) Indian School of Business (Member of Executive Board)</p>
<p>Mr. R. C. Khanna 304, Bakhtavar, Opp. Colaba Post Office, Mumbai – 400 005.</p>	<p>Cooperheat India Private Limited Monsanto India Limited Schrader Duncan Limited</p>
<p>Mr. Sukant Sadashiv Kelkar No. 1, Sindhula, N. Gamadia Road, Mumbai – 400 026.</p>	<p>Macrofill Investments Limited P. T. Five Star Textile Industries Limited, Indonesia Naperol Investments Limited Harvard Plantations Limited Britannia Industries Limited The Bombay Dyeing & Mfg. Co. Limited Wadia BSN Limited Placid Plantations Limited Nowrosjee Wadia & Sons Limited TVS Infrastructure Pvt Ltd</p>
<p>Mr. Chengalath Jayaram 'Satguru Simran', 7th Floor, 3rd Road, Almeida Park, Bandra (West), Mumbai - 400 050.</p>	<p>Kotak Mahindra Bank Limited Kotak Securities Limited Kotak Mahindra Prime Limited Kotak Mahindra Investments Limited Kotak Mahindra (UK) Ltd Kotak Mahindra Inc. Financial Planning Standards Kotak Investment Advisors Ltd</p>
<p>Mr. Bipin R. Shah 8 D, Ilpala, 220 Little Gibbs Road, Malabar Hill, Mumbai - 400 006.</p>	<p>Indus Capital Market Services Company Pvt. Limited Global Pharmatech Pvt. Limited ITTI Pvt. Limited Marico Industries Limited Dolphin Offshore Enterprises (India) Limited Jyothy Laboratories Limited Procyon Offshore Services Ltd</p>
<p>Mr. Narayan S. A. 1 Smruti, Pestom Sagar, Plot No. 27, Road No. 4, Chembur, Mumbai - 400 089.</p>	<p>Kotak Securities Limited Kotak Commodity Services Limited Kotak Mahindra Asset Reconstruction Company Limited</p>

Mr. Uday S. Kotak, 48, a graduate in Commerce, holds a post-graduate degree in Business Administration from the Jamnalal Bajaj Institute of Management Studies, Bombay University. Mr. Kotak is the Vice Chairman and Managing Director of the Sponsor, Kotak Mahindra Bank Ltd., and the chairman of various other companies, and has over 21 years of experience in the Financial Services industry.

Mr. Romesh C. Khanna, 81, is a graduate in Commerce from London University, a Fellow of the Institute of Chartered Accountants of England & Wales, a Fellow of the Institute of Chartered Accountants of India, an Associate of the Chartered Institute of Management Accountants, London and an Associate of the Institute of Cost and Works Accountants of India. Till 31st March, 1998, Mr. Khanna

was a partner in A.F. Ferguson & Co., a firm of Chartered Accountants. Mr. Khanna has over 55 years of experience in Audit, Taxation, Finance and other related areas.

Mr. Sukant S. Kelkar, 68, is a postgraduate in commerce. He has about 42 years of experience in finance, capital markets, and related areas. Mr. Kelkar has over 12 years experience in the Bank of India, and has even been a foreign exchange dealer in London for 3 years during this tenure. Following this, Mr. Kelkar worked with Bombay Dyeing Manufacturing Company Limited for 31 years, finally retiring as Executive Director in July 2001. He is on the Board of major Wadia Group Companies as a Non- Executive Director.

Mr. Chengalath Jayaram, 51, is the Executive Director of Kotak Mahindra Bank Ltd. and a member of the Management Committee of the Kotak Mahindra Group. He currently heads the wealth management business for the group including its international operations.

Mr. Jayaram joined Kotak in 1990 and since then has been keenly involved in creating innovative business directions for the group where he used his in-depth understanding of the finance sector and his educational background in management effectively. He played a crucial role in the setting up of the car finance business and was the Managing Director of Kotak Securities for a span of four years.

Prior to joining Kotak, Mr. Jayaram had worked with ICICI and the consultancy division of A.F.Ferguson.

Mr. Jayaram is a postgraduate in the business management from Indian Institute of Management, Calcutta (IIMC).

Currently Mr. Jayaram is also the Vice Chairman of the Financial Planning & Standard Board of India.

Mr. Bipin R. Shah, 75, a member of the Institute of Chartered Accountants of India, holds a Bachelor's Degree in Commerce from Bombay University, and has 48 years of work experience. Mr. Shah began his career in 1956, with Hindustan Lever Limited, where he held various Senior Commercial Assignments, including the post of Commercial Manager at its largest soaps, detergents and foods factory in Bombay, Chief Buyer, Raw Materials and Head of Foods Business. He became a Director of the company in 1979, assuming responsibility for Foods, Animal Feeds, Agri Products and Exports Business, and managed a commendable turnaround of the company's dairy business.

In 1981, Mr. Shah also became Chairman of another Unilever subsidiary, Lipton India Limited, which was facing losses and financial crisis. Mr. Shah was responsible for turning the company around, and for reviving employee and investor confidence. Mr. Shah was also Chairman of Export Business of four Unilever Companies in India viz. Hindustan Lever Ltd., Lipton India Ltd., Brooke Bond India Ltd. and Ponds India Ltd.

On his retirement from the Lever Group of Companies in 1992, Mr. Shah joined Indus Venture Management Ltd., where he was the Vice Chairman until May 2006. Mr. Shah is also a non Executive Director on the Board of several companies.

Mr. Narayan S. A., 46, is a member of the Institute of Chartered Accountants of India, holds a Bachelor's Degree in Commerce from Bombay University, and has spent 13 years in the Kotak Group, handling various responsibilities and Portfolios. He began his career as a consultant, handling several statutory and internal audit assignments, besides Company law and taxation matters. Mr. Narayan joined the Kotak Group in 1991, as an Assistant Vice President in the Operations Department, where he was responsible for accounts, audit and systems. In 1993, he became Vice President, handling the Southern Region and Investment

Portfolio of the Group, before going on to become Chief Operating Officer for Kotak Securities Limited in 1996. Mr. Narayan rose to become Executive Director of Kotak Securities Limited in May 1997, and then took over as Managing Director of the company in June 2003, a post he currently holds.

Mr. Uday Kotak, Mr. C. Jayaram and Mr. Narayan S.A. are associated with the Sponsor.

3. Powers, Functions and Responsibilities of the AMC

Under the IMA, the AMC has been appointed as the Asset Management Company, to provide management and administrative services to the Trust and to deploy the funds raised by KMMF under its schemes. The Trustee has authorised the AMC to do all such acts and things on behalf of the Trust as are necessary for the discharge of the responsibilities of the AMC. The duties and responsibilities of the AMC are as follows:

1. The Trustee has granted the AMC certain powers and authorities as stipulated under the Trust Deed and may grant such other powers as may be deemed fit from time to time, and communicate the same in writing to the AMC.
2. The following are, inter alia, the specific powers:
 - a) to invest, acquire, hold, manage or dispose of all or any securities and to deal with, engage in and carry out all other functions and to transact all business pertaining to KMMF;
 - b) to keep the moneys belonging to KMMF with banks and custodian, as the AMC may deem fit;
 - c) to determine the terms and conditions applicable to a Scheme and to decide the category of persons who may participate in any Scheme and to formulate, introduce, make, announce or launch one or more Scheme;
 - d) to issue, sell or purchase Units under any Scheme of KMMF;
 - e) to ascertain, appropriate and distribute the surplus generally or under various Scheme or under any Scheme, to carry forward, reinvest or otherwise deal with any surplus and to transfer such sums as the AMC may deem fit to one or more reserve funds which may be established at the discretion of the Trustee;
 - f) to sign, seal, execute, deliver and register according to law, all deeds, documents, and assurances in respect of or in any manner relating to KMMF;
 - g) to do all acts, deeds, matters and things, which are necessary for any object, purpose or in relation to KMMF in any manner or in relation to any Scheme of KMMF.
3. The AMC shall be responsible for making, floating and issuing the Scheme for KMMF subject to prior approval of the Trustee and to the extent required in the Mutual Fund Regulations.
4. The AMC shall be responsible for investing and managing the funds mobilised under various Schemes in accordance with the provisions of the Trust Deed and Mutual Fund Regulations.
5. The AMC shall make such disclosures or submit such documents as may be required by the Trustee and /or SEBI.
6. The AMC shall provide management and administrative services for KMMF in accordance with the provisions of IMA and any resolution passed by the Board of Directors of the Trustee from time to time and communicated in writing to the AMC.
7. The AMC shall be responsible for the day-to-day

management of KMMF.

8. The AMC shall provide the Trustee with all information concerning the operation of the various Schemes of KMMF at such intervals and in such manner as required by the Trustee.
9. The AMC shall maintain books and records of the operation of various Schemes of KMMF to ensure compliance with the Mutual Fund Regulations and shall submit a Scheme wise report on the functioning of the Fund to the Trustee on a quarterly basis or at such intervals and in such manner as may be required or called for by the Trustee or SEBI.
10. The AMC shall be responsible for its acts of negligence, commission and omission and those of its employees and/ or the persons whose services have been engaged by the AMC and the AMC shall indemnify the Trustee and each and every one of the Directors of the Trustee Company against all damages, losses, costs and consequences and any liabilities whatsoever that may arise on account of such acts of negligence and acts of commission and omission by any of the above mentioned persons.
11. No loss or damage or expenses incurred by the AMC or officers of the AMC or any delegate of the AMC, shall be met out of the Trust Fund.
12. The AMC is not exempted from or indemnified against any liability for (i) negligence, dishonesty or fraud or (ii) failure to show the degree of care and diligence required of it while carrying out its duties. Notwithstanding anything contained in any contract or agreement or any termination settlement, neither the AMC nor its directors or other officers shall be absolved of liability to the Mutual Fund for their acts of commission or omission while holding such position or office.
13. The AMC hereby undertakes to hold harmless and

indemnify the Trustee or procure the Trustee to be held harmless and indemnified against all actions, proceedings, claims, and demands, cost and expenses incidental thereto, including all legal, professional and other expenses incurred, which may be brought against, suffered or incurred by the Trustee by reason of the performance or non-performance by the AMC of its duties. Such indemnification shall be by the AMC and not out of the Trust Fund.

14. The AMC shall not be liable to the Trustee for any error of judgment or mistake of law or for any loss suffered in connection with the subject matter of the IMA, unless such error of judgment or mistake constitutes or such loss is caused by any acts of commission or omission or by fraud or willful default or negligence of the AMC or any of its agents or delegates. Without prejudice of the generality of the foregoing, in particular (but without limitation) the AMC shall not be liable to the Mutual Fund for any loss which may be sustained in the purchase, holding or sale of any investments or other assets by the mutual fund or on any of its assets as a result of loss, delay, misdelivery or error in transmission of cabled, telexed, telecopied, facsimiled, telegraphic or other communication unless such loss arose by any acts of commission or omission or from fraud, bad faith, willful default or negligence in the performance or non-performance of its duties as mentioned in the IMA.
15. The AMC shall not be liable to the Trustee in the event that the Mutual Fund suffers a decline in its net asset value or fails to achieve any increase therein unless such decline or failure is caused by any acts of commission or omission or by the default or negligence of the AMC, a bona fide error of judgment not being regarded as default or negligence nor as an act of commission or omission.

4. Condensed Financial Information (for the last three fiscal years)

	Kotak Gilt Savings Plan			Kotak Gilt Investment Regular Plan			Kotak Gilt Investment Provident Fund & Trust Plan		
	Apr 04 Mar 05	Apr 05 Mar 06	Apr 06 Mar 07	Apr 04 Mar 05	Apr 05 Mar 06	Apr 06 Mar 07	Apr 04 Mar 05	Apr 05 Mar 06	Apr 06 Mar 07
Date of Allotment	29 Dec 98	29 Dec 98	29 Dec 98	29 Dec 98	29 Dec 98	29 Dec 98	11 Nov 03	11 Nov 03	11 Nov 03
Beginning of Year / Allotment Date	1 Apr 04	1 Apr 05	1 Apr 06	1 Apr 04	1 Apr 05	1 Apr 06	1 Apr 04	1 Apr 05	1 Apr 06
End of Year / Last Date	31 Mar 05	31 Mar 06	31 Mar 07	31 Mar 05	31 Mar 06	31 Mar 07	31 Mar 05	31 Mar 06	31 Mar 07
NAV at beginning of year / Allotment Date (Rs.)	15.61 (G) 10.40 (MD) 10.44 (AD)	16.39 (G) 10.97 (AD) 10.45 (MD)	17.22 (G) 11.52 (AD) 10.46 (MD)	21.91 (G) 10.54 (D)	21.96 (G) 10.56 (D)	22.59 (G) 10.87 (D)	21.93 (G) 10.79 (D)	22.07 (G) 10.75 (D)	22.80 (G) 10.73 (D)
Net Income per unit (Rs)	0.73	0.57	1.32	(0.32)	0.74	1.88	0.37	1.26	1.27
Dividends (Rs. per unit) * \$\$	0.07 (MD)	Nil	0.51 (MD)	Nil	Nil	Nil	0.06	Nil	Nil
Dividends (Rs. per unit) * † †	0.34 (MD)	0.44 (MD)	0.47 (MD)	Nil	Nil	Nil	Nil	Nil	0.38
Dividends (Rs. per unit) * ^ ^	0.32 (MD)	0.41 (MD)	Nil	Nil	Nil	Nil	0.03	0.30 (D)	Nil
Transfer to reserves (Rs. crores)	3.17	(1.54)	@	(65.22)	3.92	@	4.01	(14.00)	@
Nav as on : At the end of the year / period (Rs.)	16.39 (G) 10.45 (MD) 10.97 (AD)	17.22 (G) 11.52 (AD) 10.46 (MD)	18.18 (G) 12.16 (AD) 10.45 (MD)	21.96 (G) 10.56 (D)	22.59 (G) 10.87 (D)	23.57 (G) 11.34 (D)	22.07 (G) 10.75 (D)	22.80 (G) 10.73 (D)	23.88 (G) 10.78 (D)
Annualised return **	5.04	7.78	7.51	0.26	11.88	10.94	0.66	2.23	2.96
Absolute return ***	-	-	-	-	-	-	-	-	-
Net Assets at end of the year / period (Rs. crores)	27.10	25.95	13.33	90.84	85.01	22.35	39.21	11.85	6.65
Ratio of Recurring Expenses to Average Assets	1.18%	1.00%	1.00%	1.65%	1.65%	1.65%	1.25%	1.25%	1.25%

	Kotak Bond Regular Plan (Formerly Kotak Bond Wholesale Plan)			Kotak Bond Deposit Plan			Kotak Bond Short Term Plan		
	Apr 04 Mar 05	Apr 05 Mar 06	Apr 06 Mar 07	Apr 04 Mar 05	Apr 05 Mar 06	Apr 06 Mar 07	Apr 04 Mar 05	Apr 05 Mar 06	Apr 06 Mar 07
Date of Allotment	25 Nov 99	25 Nov 99	25 Nov 99	25 Nov 99	25 Nov 99	25 Nov 99	2 May 02	2 May 02	2 May 02
Beginning of Year / Allotment Date	1 Apr 04	1 Apr 05	1 Apr 06	1 Apr 04	1 Apr 05	1 Apr 06	1 Apr 04	1 Apr 05	1 Apr 06
End of Year / Last Date	31 Mar 05	31 Mar 06	31 Mar 07	31 Mar 05	31 Mar 06	31 Mar 07	31 Mar 05	31 Mar 06	31 Mar 07
NAV at beginning of year / Allotment Date(Rs.)	17.25 (G) 10.49 (QD) 11.53(AD)/ 11.50(B)	11.70 (B)/ 10.30 (G)/ 11.73(AD)/ 17.55(QD)	12.23 (B)/ 18.35 (G)/ 12.26 (AD)/ 10.31 (QD)	16.80 (G)/ 10.70 (D)	16.98 (G)/ 10.75 (D)	17.63 (G)/ 11.17 (D)	10.40 (G) 10.08 (D)	11.93 (G)/ 10.06 (D)	12.59 (G)/ 10.08 (D)
Net Income per unit (Rs)	(0.31)	1.27	(18.64)	(0.07)	0.78	(0.31)	2.36	1.02	3.66
Dividends (Rs. per unit) * \$\$	0.06(QD)	Nil	0.58 (QD)	0.06	Nil	Nil	0.09	Nil	0.62(D)
Dividends (Rs. per unit) * ††	0.17(QD)	0.39(QD)	0.54(QD)	Nil	Nil	Nil	0.32	0.46 (D)	0.58 (D)
Dividends (Rs. per unit) * ^^	0.25(QD)	0.37(QD)	Nil	Nil	Nil	Nil	0.30	0.43 (D)	Nil
Transfer to reserves (Rs. crores)	(97.52)	(9.23)	@	(13.54)	(1.90)	@	(26.15)	5.60	@
Nav as on : At the end of the year / period (Rs.)	17.55 (G)/ 10.30 (QD) 11.73(AD) 11.70(B)	12.21 (B)/ 18.33 (G) 12.25(AD) 10.30(QD)	13.05 (B)/ 19.58 (G)/ 13.08 (AD)/ 10.33(QD)	16.98 (G)/ 10.75 (D)	17.67 (G)/ 11.17 (D)	18.61 (G) 11.76 (D)	11.93 (G)/ 10.06 (D)	12.59 (G)/ 10.08 (D)	13.47 (G)/ 10.06 (D)
Annualised return **	1.70	10.01	8.80	11.09	9.38	9.57	4.61	6.05	6.25
Absolute return ***	-	-	-	-	-	-	-	-	-
Net Assets at end of the year / period (Rs. crores)	54.32	22.99	36.55	22.72	13.32	10.04	39.96	115.35	45.53
Ratio of Recurring Expenses to Average Assets	1.65%	1.65%	0.72%	2.25%	2.24%	2.25%	0.90 %	0.90 %	0.67 %

	Kotak Liquid			Kotak Liquid Institutional Plan			Kotak Liquid Institutional Premium Plan		
	Apr 04 Mar 05	Apr 05 Mar 06	Apr 06 Mar 07	Apr 04 Mar 05	Apr 05 Mar 06	Apr 06 Mar 07	Apr 04 Mar 05	Apr 05 Mar 06	Apr 06 Mar 07
Date of Allotment	5 Oct 00	5 Oct 00	5 Oct 00	12 Mar 03	12 Mar 03	12 Mar 03	4 Nov 03	4 Nov 03	4 Nov 03
Beginning of Year / Allotment Date	1 Apr 04	1 Apr 05	1 Apr 06	1 Apr 04	1 Apr 05	1 Apr 06	1 Apr 04	1 Apr 05	1 Apr 06
End of Year / Last Date	31 Mar 05	31 Mar 06	31 Mar 07	31 Mar 05	31 Mar 06	31 Mar 07	31 Mar 05	31 Mar 06	31 Mar 07
NAV at beginning of year / Allotment Date(Rs.)	12.67 (G) 10.02 (D)	13.22 (G) 10.02 (D)	13.90 (G) 10.03 (D)	12.71 (G)/ 10.02 (WD) 12.23 (DD)	13.31 (G)/ 12.23 (DD)/ 10.02 (WD)	14.06 (G)/ 12.23 (DD)/ 10.03 (WD)	12.71 (G) 10.03 (WD) 12.23 (DD)	13.34 (G)/ 10.03 (WD) 12.23 (DD)	14.11 (G) 10.04 (WD) 12.23 (DD)
Net Income per unit (Rs)	0.51	0.62	0.56	0.60	0.99	0.34	0.56	0.67	(0.72)
Dividends (Rs. per unit) * \$\$	0.10	Nil	0.55 (D)	0.10(WD)/ 0.13 (DD)	Nil	0.58(WD)/ 0.72 (DD)	0.11(WD)/ 0.13 (DD)	Nil	0.72(DD)/ 0.62 (WD)
Dividends (Rs. per unit) * ††	0.28	0.44 (D)	0.51 (D)	0.17 (WD) 0.25 (DD)	0.59 (DD) 0.48 (WD)	0.67 (DD) 0.54 (WD)	Nil	0.19 (DD) 0.11 (WD)	0.71 (DD) 0.57 (WD)
Dividends (Rs. per unit) * ^^	0.26	0.41 (D)	Nil	0.28 (WD)/ 0.35 (DD)	0.54 (DD)/ 0.44 (WD)	Nil	0.30 (WD)/ 0.36 (DD)	0.56 (DD)/ 0.45 (WD)	Nil
Transfer to reserves (Rs. crores)	30.90	32.26	@	(6.07)	1.61	@	80.23	184.07	@
Nav as on : At the end of the year / period (Rs.)	13.22 (G)/ 10.02 (D)	13.90 (G)/ 10.03 (D)	14.80 (G)/ 10.03 (D)	13.31 (G)/ 10.02 (WD) 12.23 (DD)	14.06 (G)/ 12.23 (DD)/ 10.03 (WD)	15.03 (G)/ 12.23 (DD)/ 10.03 (WD)	13.34 (G)/ 10.03 (WD)/ 12.23 (DD)	14.11 (G)/ 12.23 (DD) 10.04 (WD)	15.15 (G)/ 12.23 (DD) 10.05 (WD)
Annualised return **	4.33	6.18	6.23	4.78	5.17	5.59	4.87	5.25	5.85
Absolute return ***	-	-	-	-	-	-	-	-	-
Net Assets at end of the year / period (Rs. crores)	372.98	454.38	328.07	268.84	201.86	332.98	2,291.77	2,605.70	1,995.40
Ratio of Recurring Expenses to Average Assets	1.00 %	1.00 %	1.00%	0.57 %	0.55%	0.67 %	0.42 %	0.37 %	0.26 %

	Kotak Floater Short Term			Kotak MNC			Kotak Income Plus		
	Apr 04 Mar 05	Apr 05 Mar 06	Apr 06 Mar 07	Apr 04 Mar 05	Apr 05 Mar 06	Apr 06 Mar 07	Apr 04 Mar 05	Apr 05 Mar 06	Apr 06 Mar 07
Date of Allotment	14 Jul 03	14 Jul 03	14 Jul 03	4 Apr00	4 Apr00	4 Apr00	2 Dec03	2 Dec03	2 Dec03
Beginning of Year / Allotment Date	1 Apr 04	1 Apr05	1 Apr06	1 Apr 04	1 Apr05	1 Apr06	1 Apr04	1 Apr05	1 Apr06
End of Year / Last Date	31 Mar05	31 Mar06	31 Mar07	31 Mar05	31 Mar06	31 Mar07	31 Mar05	31 Mar06	31 Mar07
NAV at beginning of year / Allotment Date (Rs.)	10.38(G) 10.00(WD)/ 10.02(MD)	10.88(G)/ 10.01(WD)/ 10.03(MD)	11.50(G) 10.01(WD) 10.03(MD)	14.24	15.99	27.76	10.25(G)/ 10.02(MD)/ 10.02(QD)	10.87(G)/ 10.30(MD) 10.30(QD)	12.54(G) 11.13(MD) 11.14(QD)
Net Income per unit (Rs)	0.36	1.34	1.89	7.63	13.42	(3.61)	0.61	1.03	0.69
Dividends (Rs. per unit) *\$\$	0.10(WD)/ 0.10(MD)	Nil	Nil	4.50	Nil	Nil	0.05(MD)	Nil	Nil
Dividends (Rs. per unit) *††	0.31(WD)/ 0.32(MD)	0.48(DD)/ 0.48(MD)	0.60(WD)/ 0.59(WD)	Nil	Nil	Nil	0.24(MD)/ 0.29(QD)	0.62(MD) 0.62(QD)	0.64(MD)/ 0.67(QD)
Dividends (Rs. per unit) *^^	0.29(WD)/ 0.30(MD)	0.45(WD)/ 0.45(MD)	0.56(WD)/ 0.55(MD)	Nil	Nil	Nil	0.22(MD)/ 0.16(QD)	0.57(MD) 0.58(QD)	0.59(MD)/ 0.62(QD)
Transfer to reserves (Rs. crores)	24.91	(9.53)	@	17.25	23.46	@	1.65	12.48	@
Nav as on : At the end of the year / period (Rs.)	10.88(G)/ 10.01(WD)/ 10.03(MD)	11.50(G)/ 10.01(WD) 10.03(MD)	12.31(G)/ 10.02(WD)/ 10.05(MD)	15.99	27.76	25.15	10.87(G)/ 10.30(MD)/ 10.30(QD)	12.55(G)/ 11.13(MD)/ 11.14(QD)	12.98(G)/ 10.78(MD)/ 10.75(QD)
Annualised return **	4.90	5.28	@	43.70	23.56	18.21	6.09	10.23	8.20
Absolute return ***	-	-	-	-	-	-	-	-	-
Net Assets at end of the year / period (Rs. crores)	958.83	410.81	157.66	66.61	71.69	40.61	54.08	105.52	71.49
Ratio of Recurring Expenses to Average Assets	0.73 %	0.71 %	0.43%	2.44%	2.50%	2.50 %	2.11%	2.19%	2.20%

	Kotak 30			Kotak Balance			Kotak Tech		
	Apr 04 Mar 05	Apr 05 Mar 06	Apr 06 Mar 07	Apr 04 Mar 05	Apr 05 Mar 06	Apr 06 Mar 07	Apr 04 Mar 05	Apr 05 Mar 06	Apr 06 Mar 07
Date of Allotment	29 Dec98	29 Dec98	29 Dec98	29 Nov99	29 Nov99	29 Nov99	4 Apr00	4 Apr00	4 Apr00
Beginning of Year / Allotment Date	1 Apr04	1 Apr05	1 Apr06	1 Apr 04	1 Apr05	1 Apr06	1 Apr04	1 Apr05	1 Apr06
End of Year / Last Date	31 Mar05	31 Mar06	31 Mar07	31 Mar05	31 Mar06	31 Mar07	31 Mar05	31 Mar06	31 Mar07
NAV at beginning of year / Allotment Date (Rs.)	25.19(G)/ 17.01(D)	32.12(G)/ 19.90(D)	59.46(G)/ 33.75(D)	13.15	17.48	23.32	3.97	5.85	8.34
Net Income per unit (Rs)	5.02	18.40	2.99	5.80	8.89	0.34	2.34	2.90	2.32
Dividends (Rs. per unit) *\$\$	1.50	2.00(D)	Nil	0.50	5.25	1.00	Nil	Nil	Nil
Dividends (Rs. per unit) *††	Nil	Nil	5.50(D)	Nil	Nil	Nil	Nil	Nil	Nil
Dividends (Rs. per unit) *^^	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Transfer to reserves (Rs. crores)	26.21	174.32	@	4.69	37.25	@	40.15	27.45	@
Nav as on : At the end of the year / period (Rs.)	32.12(G)/ 19.90(D)	59.46(G)/ 33.75(D)	64.99(G)/ 31.64(D)	17.48	23.32	22.83	5.85	8.34	10.22
Annualised return **	27.52	33.30	30.14	37.15	21.50	18.71	47.33	(2.98)	0.31
Absolute return ***	-	-	-	-	-	-	-	-	-
Net Assets at end of the year / period (Rs. crores)	154.38	336.34	420.82	30.33	96.22	94.83	49.80	51.00	44.71
Ratio of Recurring Expenses to Average Assets	2.39%	2.37%	2.31 %	2.50%	2.50%	2.49 %	2.25%	2.25%	2.25%

	Kotak Global India			Kotak Floater Long Term		
	Apr 04 Mar 05	Apr 05 Mar 06	Apr 06 Mar 07	Apr 04 Mar 05	Apr 05 Mar 06	Apr 06 Mar 07
Date of Allotment	30 Jan 04	30 Jan 04	30 Jan 04	13 Jan 04	13 Jan 04	13 Jan 04
Beginning of Year / Allotment Date	1 Apr 04	1 Apr 05	1 Apr 06	13 Aug 04	1 Apr 05	1 Apr 06
End of Year / Last Date	31 Mar 05	31 Mar 06	31 Mar 07	31 Mar 05	31 Mar 06	31 Mar 07
NAV at beginning of year / Allotment Date (Rs.)	9.57 (G) 9.57 (D)	13.86 (G)/ 12.34 (D)	24.15 (G)/ 19.31 (D)	10.00 (G)/ 10.00 (WD)/ 10.02 (MD)	10.33 (G)/ 10.01 (WD)/ 10.02 (MD)	10.89 (G) 10.04 (WD) 10.04 (MD)
Net Income per unit (Rs)	5.37	12.39	1.36	0.23	2.11	3.26
Dividends (Rs. per unit) * \$\$ (Comman)	1.50	2.00 (D)	Nil	NA.	Nil	Nil
Dividends (Rs. per unit) * †† (Individual)	Nil	Nil	2.50 (D)	0.28 (WD)/ 0.27 (MD)	0.44 (WD) 0.46 (MD)	0.59 (WD)/ 0.59 (MD)
Dividends (Rs. per unit) * ^^ (Other)	Nil	Nil	Nil	0.27 (WD)/ 0.25 (MD)	0.41 (WD) 0.43 (MD)	0.55 (WD)/ 0.55 (MD)
Transfer to reserves (Rs. crores)	65.43	59.29	@	12.05	(6.23)	@
Nav as on : At the end of the year / period (Rs.)	13.86 (G)/ 12.34 (D)	24.15 (G)/ 19.31 (D)	25.67 (G)/ 18.19 (D)	10.33 (G)/ 10.02 (WD)/ 10.01 (QD)	10.90 (G)/ 10.03 (WD)/ 10.03 (MD)	11.67 (G)/ 10.04 (WD)/ 10.04 (MD)
Annualised return **	44.88	50.19	34.70	-	5.41	6.04
Absolute return ***	-	-	-	-	-	-
Net Assets at end of the year / period (Rs. crores)	202.37	156.09	109.90	577.33	102.11	46.75
Ratio of Recurring Expenses to Average Assets	2.27%	2.30%	2.36 %	0.80%	0.78%	0.60%

	Kotak Opportunities			Kotak Equity FOF			Kotak Flexi Debt		
	Sept 04 Mar 05	Apr 05 Mar 06	Apr 06 Mar 07	Aug 04 Mar 05	Apr 05 Mar 06	Apr 06 Mar 07	Apr 04 Mar 05	Dec 05 Mar 06	Apr 06 Mar 07
Date of Allotment	9 Sept 04	9 Sept 04	9 Sept 04	9 Aug 04	9 Aug 04	9 Aug 04	6 Dec 04	6 Dec 04	6 Dec 04
Beginning of Year / Allotment Date	9 Sept 04	1 Apr 05	1 Apr 06	9 Aug 04	1 Apr 05	1 Apr 06	6 Dec 04	1 Apr 05	1 Apr 06
End of Year / Last Date	31 Mar 05	31 Mar 06	31 Mar 07	31 Mar 05	31 Mar 06	31 Mar 07	31 Mar 05	31 Mar 06	31 Mar 07
NAV at beginning of year / Allotment Date (Rs.)	10.00 (G)/ 10.00 (D)	12.76 (G)/ 12.02 (D)	25.89 (G)/ 18.17 (D)	10.00 (G) 10.00 (D)	13.17 (G) 13.17 (D)	22.90 (G) 22.90 (D)	10.00 (G) 10.00 (D)	10.21 (G)/ 10.02 (QD)	10.81 (G)/ 10.04 (QD)
Net Income per unit (Rs)	3.39	6.37	0.55	5.32	12.45	1.20	0.20	1.13	1.71
Dividends (Rs. per unit) * \$\$	0.75	5.50 (D)	1.50 (D)	NA	Nil	Nil	NA.	Nil	Nil
Dividends (Rs. per unit) * ††	Nil	Nil	Nil	Nil	Nil	Nil	0.16	0.49 (QD)	0.56 (DD) 0.58 (QD)
Dividends (Rs. per unit) * ^^	Nil	Nil	Nil	Nil	Nil	Nil	0.15	0.46 (QD)	0.53 (DD) 0.54 (QD)
Transfer to reserves (Rs. crores)	10.77	75.75	@	30.61	32.21	@	0.55	2.70	@
Nav as on : At the end of the year / period (Rs.)	12.76 (G)/ 12.02 (D)	25.89 (G)/ 18.17 (D)	27.94 (G)/ 17.96 (D)	13.17 (G)/ 13.17 (D)	22.90 (G)/ 22.90 (D)	24.13 (G)/ 24.13 (D)	10.21 (G)/ 10.02 (D)	10.81 (G)/ 10.04 (QD)	11.64 (G)/ 10.03 (QD)
Annualised return **	-	84.28	49.55	-	65.69	39.65	-	6.13	6.76
Absolute return ***	-	-	-	-	-	-	-	-	-
Net Assets at end of the year / period (Rs. crores)	47.73	231.24	221.96	95.21	90.70	71.95	104.08	95.90	236.82
Ratio of Recurring Expenses to Average Assets	2.46%	2.45%	2.34 %	0.74 %	0.74%	0.75 %	1.00 %	0.94 %	0.56 %

	Kotak Midcap			Kotak Dynamic FOF		
	Feb 05 Mar 05	Apr 05 Mar 06	Apr 06 Mar 07	Mar 05 Mar 05	Apr 05 Mar 06	Apr 06 Mar 07
Date of Allotment	24 Feb 05	24 Feb 05	24 Feb 05	31 Mar 05	31 Mar 05	31 Mar 05
Beginning of Year / Allotment Date	24 Feb 05	1 Apr 05	1 Apr 06	31 Mar 05	1 Apr 05	1 Apr 06
End of Year / Last Date	31 Mar 05	31 Mar 06	31 Mar 07	31 Mar 05	31 Mar 06	31 Mar 07
NAV at beginning of year / Allotment Date (Rs.)	10.00 (G) 10.00 (D)	10.10 (G) 10.10 (D)	19.79 (G) 19.04 (D)	10.00 (G)	10.00 (G) 10.00 (D)	16.80 (G)
Net Income per unit (Rs)	0.11	13.34	(2.16)	0.01	8.90	(3.65)
Dividends (Rs. per unit) * \$\$	Nil	0.50 (D)	4.00 (D)	N.A.	Nil	Nil
Dividends (Rs. per unit) * ††	Nil	Nil	Nil	N.A.	Nil	Nil
Dividends (Rs. per unit) * ^^	Nil	Nil	Nil	N.A.	Nil	Nil
Transfer to reserves (Rs. crores)	5.80	208.35	@	0.05	40.99	@
Nav as on : At the end of the year / period (Rs.)	10.00 (G) 10.10 (D)	19.79 (G) 19.04 (D)	19.25 (G) 14.77 (D)	10.00 (G)	16.79 (G)	16.43 (G)
Annualised return **	-	84.10	35.84	-	-	28.23
Absolute return ***	-	-	-	-	67.92	-
Net Assets at end of the year / period (Rs. crores)	543.17	356.24	230.63	101.92	80.97	24.76
Ratio of Recurring Expenses to Average Assets	2.19%	2.27%	2.32%	0.75%	0.71%	0.75%

Latest NAV & Annualised Returns

	Kotak Gilt Investment Regular Plan	Kotak Gilt Saving Plan	Kotak Gilt Investment Provident Fund & Trust Plan	Kotak Quarterly Interval Plan Series 2	Kotak Quarterly Interval Plan Series 3	Kotak Quarterly Interval Plan Series 4	Kotak Liquid Regular Plan	Kotak Liquid- Institutional Plan	Kotak Liquid- Institutional Premium Plan
Date of Allotment	29 Dec 98	29 Dec 98	11 Nov 03	27 Sep 07	22 Nov 07	04 Dec 07	05 Oct 00	12 Mar 03	04 Nov 03
Beginning of Year / Allotment Date	1 Apr 07	1 Apr 07	1 Apr 07	27 Sep 07	22 Nov 07	04 Dec 07	1 Apr 07	1 Apr 07	1 Apr 07
End of Year / Last Date	31 Dec 07	31 Dec 07	31 Dec 07	31 Dec 07	31 Dec 07	31 Dec 07	31 Dec 07	31 Dec 07	31 Dec 07
NAV at beginning of year / Allotment Date (Rs.)	23.57 (G)/ 11.34 (D)	18.18 (G)/ 12.16 (AD) 10.45 (MD)	23.88 (G)/ 10.78 (D)	10.00 (G)/ 10.00 (D)	10.00 (G)/ 10.00 (D)	10.00 (G)/ 10.00 (D)	14.8 (G)/ 10.03 (D)	15.03 (G)/ 12.23 (DD)/ 10.03 (WD)	15.15 (G)/ 12.23 (DD)/ 10.05 (WD)
Net Income per unit (Rs)	1.67	1.38	1.46	0.15	0.10	0.07	0.48	0.66	0.9
Dividends (Rs. per unit) \$\$ (Common)	Nil	Nil	Nil	Nil	Nil	Nil	0.01 (D)	0.01 (WD)	0.02 (WD)
Dividends (Rs. per unit) * † (Individuals)	Nil	0.39 (MD)	Nil	0.17 (D)	0.07 (D)	0.05 (D)	0.39 (D)	0.51 (DD)/ 0.41 (WD)	0.54 (DD)/ 0.43 (WD)
Dividends (Rs. per unit) * †† (Others)	Nil	0.36 (MD)	0.34 (D)	0.16 (D)	0.07 (D)	0.04 (D)	0.39 (D)	0.52 (DD)/ 0.41 (WD)	0.53 (DD)/ 0.43 (WD)
Transfer to reserves (Rs. crores)	@	@	@	@	@	@	@	@	@
Nav as on : At the end of the year / period (Rs.)	25.09 (G)/ 12.07 (D)	19.04 (G)/ 12.73 (AD) 10.49 (MD)	25.49 (G)/ 11.08 (D)	10.21 (G)/ 10.01 (D)	10.10 (G)/ 10.01 (D)	10.07 (G)/ 10.01 (D)	15.6 (G)/ 10.04 (D)	15.87 (G)/ 12.23 (DD)/ 10.04 (WD)	16.04 (G)/ 12.23 (DD)/ 10.05 (WD)
Annualised return ** December 31, 2007	10.70	7.4	4.1	-	-	-	6.3	5.9	6.2
Absolute return *** December 31, 2007	-	-	-	2.10	0.96	0.65	-	-	-
Benchmark Return December 31, 2007 ~	7.20	6.4	7.2	1.72	0.83	0.58	5.5	5.5	5.5
Net Assets at end of the year / period (Rs. crores)	16.02	9.31	5.11	155.5	541.17	583.47	628.08	507.3	3866.86
Ratio of Recurring Expenses to Average Assets	1.65%	1.00%	1.25%	0.09%	0.10%	0%	1.00%	0.75%	0.39%

	Kotak Flexi Debt	Kotak Equity FOF	Kotak Flexi Funds of Funds	Kotak Flexi FOF Series I	Kotak Flexi FOF Series II	Kotak Global Emerging Market Fund	Kotak Global India
Date of Allotment	06 Dec 04	09 Aug 04	20 Oct 05	07 Apr 06	28 Jul 06	26 Sep 07	30 Jan 04
Beginning of Year / Allotment Date	01 Apr 07	01 Apr 07	01 Apr 07	01 Apr 07	01 Apr 07	26 Sep 07	1 Apr 07
End of Year / Last Date	31 Dec 07	31 Dec 07	31 Dec 07	31 Dec 07	31 Dec 07	31 Dec 07	31 Dec 07
NAV at beginning of year / Allotment Date (Rs.)	11.64 (G)/ 10.03 (DD)/ 10.12 (QD)	24.13 (G)/ 24.13 (D)	13.04 (G) 13.04 (D)	9.78 (G)/ 9.78 (D)	10.7 (D)	10.00 (G)/ 10.00 (D)	25.67 (G)/ 18.19 (D)
Net Income per unit (Rs)	0.63	17.58	16.04	65	885	12	96
Dividends (Rs. per unit) (Common)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Dividends (Rs. per unit) * † (Individuals)	0.54 (DD)/ 0.52 (QD)	Nil	Nil	Nil	1.14 (D)	Nil	Nil
Dividends (Rs. per unit) * † † (Others)	0.50 (DD) 0.48 (QD)	Nil	Nil	Nil	1.06 (D)	Nil	Nil
Transfer to reserves (Rs. crores)	@	@	@	@	@	@	@
Nav as on : At the end of the year / period (Rs.)	12.38 (G)/ 10.03 (DD)/ 10.16 (QD)	39.27 (G)/ 39.27 (D)	21.64 (G)/ 21.64 (D)	13.31 (G)/ 13.31 (D)	12.69 (D)	11.23 (G)/ 11.23 (D)	36.46 (G)/ 25.84 (D)
Annualised return ** December 31, 2007	72	496	41.31	17.45	21.35	-	39.1
Absolute return *** December 31, 2007	-	-	-	-	-	-	-
Benchmark Return December 31, 2007 ~	53	47.5	31.20	27.24	38.61	-	37.3
Net Assets at end of the year / period (Rs. crores)	4399.89	85.53	50.51	9.72	87.64	573.35	122.47
Ratio of Recurring Expenses to Average Assets	0.33 %	0.75 %	0.75 %	0.75 %	0.75 %	0.75 %	2.41 %

	Kotak MNC	Kotak Gold ETF	Kotak Blended FOF	Kotak Twin Advantage Series II	Kotak Twin Advantage Series III	Kotak Wealth Builder Series 1	Kotak Technology	Kotak FMP 3M Series 26
Date of Allotment	4 Apr 00	27 Jul 07	28 Nov 07	09 Jun 06	15 Sept 06	27 Feb 07	4 Apr 00	15 Nov 07
Beginning of Years / Allotment Date	1 Apr 07	27 Jul 07	28 Nov 07	01 Apr 07	01 Apr 07	1 Apr 07	1 Apr 07	15 Nov 07
End of Year / Last Date	31 Dec 07	31 Dec 07	31 Dec 07	31 Dec 07	31 Dec 07	31 Dec 07	31 Dec 07	31 Dec 07
NAV at beginning of year / Allotment Date (Rs.)	25.15	892.1526	10.00 (D)	10.27 (G)/ 10.27 (D)	10.02 (G)/ 10.02 (D)	9.95 (G)/ 9.95 (D)	10.22	10.00 (G)/ 10.00 (D)
Net Income per unit (Rs)	12.91	20.6	0.29	1.42	1.83	0.69	0.67	0.10
Dividends (Rs. per unit) (Common)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Dividends (Rs. per unit) * † (Individuals)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.8 (D)
Dividends (Rs. per unit) * † † (Others)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.8 (D)
Transfer to reserves (Rs. crores)	@	@	@	@	@	@	@	@
Nav as on : At the end of / the year / period (Rs.)	36.18	1074.31	10.29 (D)	11.23 (G)/ 11.23 (D)	11.02 (G)/ 11.02 (D)	10.42 (G)/ 10.42 (D)	10.84	10.1 (G)/ 10.01 (D)
Annualised return ** December 31, 2007	21.9	-	-	7.34	7.46	-	1.1	-
Absolute return *** December 31, 2007	-	-	2.93	-	-	4.63	-	1.03
Benchmark Return December 31, 2007 ~	20.8	\$	6.39	13.69	13.10	13.92	4.1	2.44
Benchmark Return (S&P CNX Nifty) December 31, 2007	20.7	-	-	-	-	-	-	-
Net Assets at end of the year / period (Rs. crores)	41.85	46.22	181.21	49.66	125.89	188.72	35.29	922.73
Ratio of Recurring Expenses to Average Assets	2.50 %	1.00 %	0.75 %	1.34 %	2.25 %	1.18 %	2.25 %	0.10 %

	Kotak Emerging Equity	Kotak Tax Saver	Kotak Dynamic FOF	Kotak Quarterly Interval Plan Series-I	Kotak 30	Kotak Income Plus	Kotak Opportunities	Kotak Lifestyle
Date of Allotment	30 Mar 07	23 Nov 05	31 Mar 05	19 Sep 07	29 Dec 98	02 Dec 03	09 Sep 04	21 Mar 06
Beginning of Year / Allotment Date	01 Apr 07	1 Apr 07	1 Apr 07	19 Sep 07	1 Apr 07	1 Apr 07	1 Apr 07	1 Apr 07
End of Year / Last Date	31 Dec 07	31 Dec 07	31 Dec 07	31 Dec 07	31 Dec 07	31 Dec 07	31 Dec 07	31 Dec 07
NAV at beginning of year / Allotment Date (Rs.)	10.01 (G)/ 10.01 (D)	13.85 (G)/ 11.02 (D)	16.43 (G)	10.00 (G)/ 10.00 (D)	64.99 (G)/ 31.64 (D)	12.98 (G)/ 10.78 (MD) 10.75 (QD)	27.94 (G)/ 17.96 (D)	11.64 (G)/ 11.64 (D)
Net Income per unit (Rs)	7.74	7.58	9.81	0.28	30.24	2.5	14.44	6.77
Dividends (Rs. per unit) (Common)	Nil	Nil	Nil	Nil	3.00 (D)	Nil	3.00 (D)	1.75 (D)
Dividends (Rs. per unit) * † (Individuals)	Nil	Nil	Nil	0.18 (D)	Nil	0.53 (MD)/ 0.57 (QD)	Nil	Nil
Dividends (Rs. per unit) * †† (Others)	Nil	Nil	Nil	0.16 (D)	Nil	0.50 (MD). 0.53 (QD)	Nil	Nil
Transfer to reserves (Rs. crores)	@	@	@	@	@	@	@	@
Nav as on : At the end of the year / period (Rs.)	17.02 (G)/ 17.02 (D)	23.46 (G)/ 18.66 (D)	24.19 (G)	10.23 (G)/ 10.03 (D)	113.84 (G)/ 51.14 (D)	14.98 (G)/ 11.78 (MD) 11.71 (QD)	54.18 (G)/ 30.52 (D)	16.86 (G)/ 14.6 (D)
Annualised return ** December 31, 2007	-	49.8	37.96	-	30.9	10.4	66.6	62.2
Absolute return *** December 31, 2007	70.2	-	-	2.34	-	-	-	-
Benchmark Return December 31, 2007 ~	81.8	50.8	3144	1.80	23.42	9.0	50.0	43.7
Benchmark Return (S&P CNX Nifty) December 31, 2007	-	-	-	-	24.17	-	-	-
Net Assets at end of the year / period (Rs. crores)	336.39	466.26	24.09	234.11	660.27	33.19	451.12	266.76
Ratio of Recurring Expenses to Average Assets	2.24 %	2.32 %	0.75 %	0.09 %	2.25 %	2.22 %	2.34 %	2.24 %

	Kotak Midcap	Kotak Bond Deposit Plan	Kotak Bond Regular Plan (formerly wholesale Plan)	Kotak Bond Short Term Plan	Kotak PSU Bank ETF	Kotak Contra	Kotak Equity Arbitrage Fund	Kotak Dynamic Asset Allocation
Date of Allotment	24 Feb 05	25 Nov 99	25 Nov 99	2 May 02	8 Nov 07	27 Jul 05	29 Sep 05	28 Dec 06
Beginning of Year / Allotment Date	1 Apr 07	1 Apr 07	01 Apr 07	01 Apr 07	8 Nov 07	01 Apr 07	01 Apr 07	01 Apr 07
End of Year / Last Date	31 Dec 07	31 Dec 07	31 Dec 07	31 Dec 07	31 Dec 07	31 Dec 07	31 Dec 07	31 Dec 07
NAV at beginning of year / Allotment Date (Rs.)	19.25 (G)/ 14.77 (D)	18.61 (G)/ 11.76 (D)	13.05 (B)/ 19.58 (G)/ 13.08 (AD) 10.33 (QD)	13.47 (G)/ 10.06 (D)	291.6612	13.85 (G)/ 13.85 (D)	11.18 (G)/ 10.44 (D)	9.3 (G)/
Net Income per unit (Rs)	11.46	1.28	1.19	0.42	23.04	8.92	0.22	9.64
Dividends (Rs. per unit) (Common)	Nil	Nil	Nil	Nil	Nil	2.00 (D)	0.29 (D)	Nil
Dividends (Rs. per unit) * \$\$ (Individuals)	Nil	Nil	0.50 (QD)	0.66 (D)	Nil	Nil	0.13 (D)	
Dividends (Rs. per unit) * †† (Others)	Nil	Nil	0.46 (QD)	0.61 (D)	Nil	Nil	0.12 (D)	Nil
Transfer to reserves (Rs. crores)	@	@	@	@	@	@	@	@
Nav as on : At the end of the year / period (Rs.)	30.72 (G)/ 23.57 (D)	20.02 (G)/ 12.65 (D)	14.23 (B)/ 21.35 (G)/ 14.27 (AD)/ 10.68 (QD)	14.52 (G)/ 10.07 (D)	324.27	22.32 (G)/ 19.54 (D)	11.88 (G)/ 10.64 (D)	17.93 (G)
Annualised return ** December 31, 2007	47.1	9.0	9.8	6.8	-	37.9	7.9	38.0
Absolute return *** December 31, 2007	-	-	-	-	-	-	-	-
Benchmark Return December 31, 2007 ~	48.7	5.9	5.9	5.7	-	48.8	6.5	31.2
Net Assets at end of the year / period (Rs. crores)	260.2	8.76	37.56	463.55	75.47	145.27	468.59	1003.09
Ratio of Recurring Expenses to Average Assets	2.34 %	2.25 %	0.51 %	0.60 %	0.65 %	2.42 %	1.07 %	1.22 %

	Kotak FMP 12M Series 1- Institutional Plan	Kotak FMP 12M Series 1- Retail Plan	Kotak FMP 12M Series 2- Institutional Plan	Kotak FMP 12M Series 2- Retail Plan	Kotak FMP 12M Series 4- Institutional Plan	Kotak FMP 12M Series 4- Retail Plan	Kotak FMP 13M Series 1- Institutional Plan	Kotak FMP 13M Series 1- Retail Plan
Date of Allotment	26 June 07	26 June 07	29 Sep 07	29 Sep 07	10 Nov 07	10 Nov 07	15 Mar 07	15 Mar 07
Beginning of Year / Allotment Date	26 June 07	26 June 07	29 Sep 07	29 Sep 07	10 Nov 07	10 Nov 07	1 Apr 07	1 Apr 07
End of Year / Last Date	31 Dec 07	31 Dec 07	31 Dec 07	31 Dec 07	31 Dec 07	31 Dec 07	31 Dec 07	31 Dec 07
NAV at beginning of year / Allotment Date (Rs.)	10.00(G)/ 10.00(D)	10.00(G)/ 10.00(D)	10.00(G)/ 10.00(D)	10.00(G)/ 10.00(D)	10.00(G)/ 10.00(D)	10.00(G)/ 10.00(D)	10.05(G)/ 10.05(D)	10.04(G)/ 10.04(D)
Net Income per unit (Rs)	05	049	024	024	012	011	085	08
Dividends (Rs. per unit) * † (Individuals)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Dividends (Rs. per unit) * †† (Others)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Transfer to reserves (Rs. crores)	@	@	@	@	@	@	@	@
Nav as on : At the end of the year / period (Rs.)	10.50(G)/ 10.50(D)	10.48(G)/ 10.48(D)	10.24(G)/ 10.24(D)	10.23(G)/ 10.23(D)	10.12(G)/ 10.12(D)	10.11(G)/ 10.11(D)	10.89(G)/ 10.89(D)	10.82(G)/ 10.82(D)
Annualised return ** December 31, 2007	-	-	-	-	-	-	-	-
Absolute return *** December 31, 2007	505	484	240	230	119	113	887	822
Benchmark Return December 31, 2007 ~	530	530	259	259	142	142	724	724
Net Assets at end of the year / period (Rs. crores)	144.66	846	132.75	997	145.89	33	409.79	29.83
Ratio of Recurring Expenses to Average Assets	0.12%	0.50%	0.10%	0.50%	0.10%	0.50%	0.25%	1.00%

	Kotak FMP 13M Series 2- Institutional Plan	Kotak FMP 13M Series 2- Retail Plan	Kotak FMP 14M Series 1- Institutional Plan	Kotak FMP 14M Series 1- Retail Plan	Kotak FMP 14M Series 2- Institutional Plan	Kotak FMP 14M Series 2- Retail Plan	Kotak FMP 15M Series 1	Kotak FMP 15M Series 2
Date of Allotment	29 Mar 07	29 Apr 07	21 Feb 07	21 Feb 07	22 Mar 07	22 Mar 07	14 Oct 06	5 Feb 07
Beginning of Year / Allotment Date	1 Apr 07	1 Apr 07	1 Apr 07	1 Apr 07	1 Apr 07	1 Apr 07	1 Apr 07	1 Apr 07
End of Year / Last Date	31 Dec 07	31 Dec 07	31 Dec 07	31 Dec 07	31 Dec 07	31 Dec 07	31 Dec 07	31 Dec 07
NAV at beginning of year / Allotment Date (Rs.)	10.01(G)/ 10.01(D)	10.01(G)/ 10.01(D)	10.07(G)	10.06(G)/ 10.01(D)	10.03(G)	10.02(G)/ 10.02(D)	10.03(G)/ 10.01(D)	10.09(G)/ 10.01(D)
Net Income per unit (Rs)	085	079	073	072	084	079	071	074
Dividends (Rs. per unit) * † (Individuals)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Dividends (Rs. per unit) * †† (Others)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Transfer to reserves (Rs. crores)	@	@	@	@	@	@	@	@
Nav as on : At the end of the year / period (Rs.)	10.85(G)/ 10.85(D)	10.79(G)/ 10.79(D)	10.8(G)/	10.78(G)/ 10.72(D)	10.86(G)/ 10.86(D)	10.79(G)/ 10.79(D)	11.01(G)/ 10.7(D)	10.83(G)/ 10.74(D)
Annualised return ** December 31, 2007	-	-	-	-	-	-	8.15	-
Absolute return *** December 31, 2007	850	788	798	780	858	787	-	831
Benchmark Return December 31, 2007~	713	713	708	708	710	710	737	655
Net Assets at end of the year / period (Rs. crores)	326.48	278	17.28	5.95	311.24	10.02	167.28	766
Ratio of Recurring Expenses to Average Assets	0%	0.75%	0.20%	0.40%	0.15%	1.00%	0.05%	0.20%

	Kotak FMP 15M Series 3- Institutional Plan	Kotak FMP 15M Series 3- Retail Plan	Kotak 16M Series 1	Kotak 17M Series 1- Institutional Plan	Kotak FMP 17M Series 1 Retail Plan	Kotak Balance	Kotak Floter Short Term Plan	Kotak Long Term Plan
Date of Allotment	18 May 07	18 May 07	28 Dec 06	12 Dec 07	12 Dec 07	25 Nov 99	14 Jul 03	13 Aug 04
Beginning of Year / Allotment Date	18 May 07	18 May 07	1 Apr 07	12 Dec 07	12 Dec 07	1 Apr 07	1 Apr 07	1 Apr 07
End of Year / Last Date	31 Dec 07	31 Dec 07	31 Dec 07	31 Dec 07	31 Dec 07	31 Dec 07	31 Dec 07	31 Dec 07
NAV at beginning of year / Allotment Date (Rs.)	10.00 (G)/ 10.00 (D)	10.00 (G)/ 10.01 (D)	10.11 (G)/ 10.01 (D)	10.00 (G)/ 10.00 (D)	10.00 (G)/ 10.00 (D)	22.83	12.31 (G)/ 10.02 (WD) 10.05 (MD)	11.67 (G)/ 10.04 (WD)/ 10.04 (MD)
Net Income per unit (Rs)	0.69	0.66	0.78	0.5	0.02	14.13	0.4	0.69
Dividends (Rs. per unit) \$\$	Nil	Nil	Nil	Nil	Nil	2	0.01 (WD)/	Nil
Dividends (Rs. per unit) (Individuals)	Nil	Nil	Nil	Nil	Nil	Nil	0.09 (DD)/ 0.44 (WD)/ 0.46 (MD)	0.55 (WD)/ 0.56 (MD)
Dividends (Rs. per unit) * †† (Others)	Nil	Nil	Nil	Nil	Nil	Nil	0.09 (DD)/ 0.44 (WD)/ 0.46 (MD)	0.52 (WD)/ 0.52 (MD)
Transfer to reserves (Rs. crores)	@	@	@	@	@	@	@	@
Nav as on :	10.68 (G)/	10.65 (G)/	10.89 (G)/	10.05 (G)/	10.05 (G)/	33.26	13.07 (G)/	12.49 (G)/
At the end of the year / period (Rs.)	10.68 (D)	10.65 (D)	10.78 (D)	10.05 (D)	10.05 (D)		10.04 (DD) 10.03 (WD) 10.05 (MD)	10.1 (WD)/ 10.08 (MD)
Annualised return ** December 31, 2007	-	-	8.83	-	-	24.56	6.2	6.8
Absolute return *** December 31, 2007	6.78	6.51	-	0.50	0.48	-	-	-
Benchmark Return December 31, 2007 ~	6.39	6.39	7.56	0.68	0.68	23.3	5.8	5.8
Net Assets at end of the year / period (Rs. crores)	84.33	28.13	85.79	67.46	5.59	94.29	436.82	69.05
Ratio of Recurring Expenses to Average Assets	0.10%	0.40%	0.20%	0.06%	0.19%	2.50%	0.41%	0.60%

Notes:

G stands for Growth Option, D stands for Dividend Option, MD stands for Monthly Dividend Option, QD stands for Quarterly Dividend Option, WD stands for Weekly Dividend Option, DD stands for Daily Dividend Option, AD stands for Annual Dividend Option B stands for Bonus Option.

* Applicable to the dividend option in case of Schemes, which have Growth and Dividend Options.

** Annualised Return (Compounded Annualised Growth Rate) is calculated from the date of allotment of the Units till the end of the period mentioned against it. For the last period in respect of the Scheme/Plan concerned, the annualised return is computed from the date of allotment till December 31, 2007. In case of returns available for periods less than one year for the first accounting year, such returns have been expressed in absolute terms only.

*** Absolute Return is calculated from the date of allotment of the Units till the end of the period mentioned against it for the Scheme where such period is less than one year. In case of Scheme / Plan launched after January 2, 2006 the absolute return is also calculated from the date of allotment till December 31, 2007. Annualised returns are computed for the Growth Option of the Scheme. The Growth Option is not available then the same has been computed assuming the declared dividend is re-invested on the next available NAV.

~ Benchmarks (as developed by AMFI): Kotak Gilt Savings: ISEC SIBEX; Kotak Gilt Investment- Regular and Provident Fund and Trust Plans: I SEC COMPOSITE INDEX, Kotak Bond Short Term Plan: CRISIL Short Term Bond Fund Index, Kotak Bond Regular Plan (Formerly Wholesale Plan), Kotak Bond Deposit Plan, Kotak Flexi Debt, Kotak FMP 12M Series 1 - Institutional Plan, Kotak FMP 12M Series 1 - Retail Plan, Kotak FMP 12M Series 2 - Institutional Plan, Kotak FMP 12M Series 2 - Retail Plan, Kotak FMP 12M Series 4 - Institutional Plan, Kotak FMP 12M Series 4 - Retail Plan, Kotak FMP 13M Series 1 - Institutional Plan, Kotak FMP 13M Series 1 - Retail Plan, Kotak FMP 13M Series 2 - Institutional Plan, Kotak FMP 13M Series 2 - Retail Plan, Kotak FMP 14M Series 1 - Institutional Plan, Kotak FMP 14M Series 1 - Retail Plan, Kotak FMP 14M Series 2 - Institutional Plan, Kotak FMP 14M Series 2 - Retail Plan, Kotak FMP 15M Series 3 - Institutional Plan, Kotak FMP 15M Series 3 - Retail Plan, Kotak FMP 16M Series

2 - Institutional Plan, Kotak FMP 16M Series 2 - Retail Plan, Kotak FMP 17M Series 1 - Institutional Plan, Kotak FMP 17M Series 1 - Retail Plan: CRISIL Composite Bond Fund Index, Kotak Liquid Regular Plan, Kotak Liquid Institutional Plan, Kotak Liquid Institutional Premium Plan, Kotak Floater Short Term, Kotak Floater Long Term Scheme, Kotak Equity Arbitrage Fund, Kotak FMP 3M Series 26, Kotak FMP 15M Series 2, Kotak FMP 16M Series 1: CRISIL Liquid Fund Index, Kotak Income Plus, Kotak Twin Advantage Series II, Kotak Twin Advantage Series III, Kotak Wealth Builder Series 1: CRISIL MIP Blended Index, Kotak Balance, Kotak Dynamic FOF, Kotak Flexi FOF Series I, Kotak Flexi FOF Series II, Kotak Dynamic Asset Allocation, Kotak Dynamic FOF: CRISIL Balanced Fund Index.

Benchmarks (as per Offer Document) used are: Kotak 30, Kotak MNC and Kotak Equity FOF - S & P CNX NIFTY; Kotak Global India, Kotak Contra, Kotak Opportunities, Kotak Tax saver, Kotak Lifestyle - S&P CNX 500, Kotak Tech - BSE Teck, Kotak Emerging Equity Scheme - BSE Midcap; Kotak Midcap - CNX Midcap. Kotak Gold ETF: Physical Gold.

\$ The Scheme's performance will be benchmarked against the price of gold.

† NAV at which Units were first allotted under the respective options.

@ transfer to reserves will be done at the end of the year

\$\$ applicable for the period between record date April 01, 2004 and July 20, 2004.

†† applicable for the period between record date July 21, 2004 and March 31, 2005 for Individual / HUF unit holders.

^^ applicable for the period between record date July 21, 2004 and March 31, 2005 for Other unit holders.

† applicable to current period indicates Dividend paid from record date April 01, 2007 to December 31, 2007 for Individual / HUF unit holders.

†† applicable to current period indicates Dividend paid from record date April 01, 2007 to December 31, 2007 for other unit holders.

5. Borrowing by the Mutual Fund

No borrowing was made by any of the Schemes of KMMF till the year ended March 31, 2007, and period ended December 31, 2007

6. KEY PERSONNEL OF AMC

Name, Age, Designation, Educational Qualifications	Business Experience
<p>Mr. Sandesh Kirkire 44 years Chief Executive Officer Mechanical Engineer, Masters degree in Management Studies from Jamnalal Bajaj Institute of Management Studies, Mumbai University.</p>	<p>Experience of over 15 years in the areas Corporate Finance and Treasury management among others. His prior assignments were with SBI Capital Markets Ltd and ITC Bhadrachalam Finance & Investments Ltd. After joining the Kotak Mahindra group in 1994, Mr. Kirkire has worked in several capacities across the group, in the fields of Investment Banking, Treasury and Sales and Trading in debt markets. Mr. Kirkire's latest assignment was as Chief Investment Officer (Debt) overseeing the investment management function of the Fund in Fixed Income Securities.</p>
<p>Mr. Alroy Lobo 43 years Chief Strategist and Global Head Equities Asset Management CFA, Mechanical Engineer, Masters degree in Management Studies from Sydenham Institute of Management, Mumbai University.</p>	<p>Past experience of over 13 years in Institutional Equities. Worked as Equity research analyst (pharmaceuticals, technology), head of research and equity strategist. His prior assignments were with HMG Financial Services in equity research and with Godrej and Boyce in evaluating companies as vendors. Mr. Lobo's last assignment was Head of Institutional Equities at Kotak Securities.</p>
<p>Mr. R Krishnan 39 years Chief Operations Officer Chartered Accountant and Cost Accountant</p>	<p>Experience of over 11 years in the fields of Operations, Systems, Finance, MIS, Accounting, Audit and Taxation. Prior to joining the Kotak Group in August 1994, Mr. Krishnan was a practicing Chartered Accountant for two years, handling Accounting, Audit and Taxation matters for clients. Since joining the Kotak Group, Mr. Krishnan has handled major assignments like the US GAAP implementation for the erstwhile Kotak Mahindra Finance Limited (KMFL) and subsidiary/group companies, Systems Development and Implementation, for the Retail Assets Group and KMFL's transition to Kotak Bank. Mr. Krishnan's latest assignment was as Head - Operations, Retail Assets, at Kotak Bank, from where he joined Kotak Mutual in August 2004 as Senior Vice President.</p>
<p>Mr. Kailash Kulkarni 40 years Head of Sales Post graduate in Business Management from IMDR Pune</p>	<p>Mr. Kailash Kulkarni was associated with MetLife India Insurance Co as Head of Agency Sales He was designated as Director Agency Sales. Prior to this he was with ICICI group in different capacities the last being AGM Retail Banking for Mumbai region. He has total experience of over 16 years of which 11 are in the financial services industry and 5 years with a automobile company.</p>
<p>Mr. Krishna Sanghavi 34 years Equity Fund Manager Bachelor of Commerce, Cost & Works Account from ICWAI, Master of Management Studies (Finance) from NMIMS, Mumbai Chartered Financial Analyst from ICAI</p>	<p>Mr. Sanghavi more than 11 years of experience in Credit Appraisal & Credit Risk Management, Dealer Finance, Business Planning and Fund Management. He joined Kotak Group in 1997 and has worked with Kotak Mahindra Primus Ltd., Kotak Mahindra Finance Ltd. & Kotak Mahindra Old Mutual Life Insurance Ltd. Before joining Kotak group he had worked with IDBI for nearly 2 years.</p>
<p>Mr. Sajit Pisharodi 37 years Equity Fund Manager Masters degree in Business Administration</p>	<p>Experience of nearly 11 years in the field of financial services. Joined the AMC in February, 2004. Prior to that, Mr. Pisharodi was involved in the equity dealing function at SBI Funds Management Pvt. Ltd. He started his career with Stock Holding Corporation of India Ltd., where he was involved in objections clearance in the custodial services division and moved on to IDBI Capital Markets Pvt. Ltd., where he was part of the broking arm, and involved in equity sales and dealing.</p>
<p>Mr. Abhijeet Dey 33 years Equity Fund Manager B.E. (Mechanical), Masters degree in Management Studies from Sydenham Institute of Management & Entrepreneurship Education, Mumbai University.</p>	<p>Total experience of 6 years in the equity markets. Worked as an equity research analyst tracking the automotive and cement sectors. His prior assignments were with the consulting firm Frost & Sullivan India as an automotive industry analyst and Indiaonline.com as an equity research analyst. His last assignment was with Pioneer Intermediaries Pvt. Ltd in equity research.</p>
<p>Mr. Sanjib Guha 31 years Equity Fund Manager PGDBA (ICFAI) ADF(ICFAI) B.Com(H), Calcutta University</p>	<p>Past experience of over 6 years in Equity Research & Fund Management. Covered Oil & Gas, Auto, FMCG & Media as Equity Research Analyst. Last assignment was with UTI AMC (2001-Jun 2007).</p>
<p>Mr. Anurag Jain 30 years Equity Fund Manager Chemical Engineer and holds a Post Graduate Diploma in Management from IIM Kolkata</p>	<p>Mr. Jain has close to 6 years of experience in financial engineering and equity research. He joined the equity markets in 2001 working with SBI Mutual Fund, ICICI Bank followed with SSKI securities. He joined the AMC in August 2005, as a part of the equity fund management team for evaluating investment opportunities in equities.</p>
<p>Mr. Ritesh Jain 32 years</p>	<p>Experience of 7 years. Having begun his career in foreign exchange banking at Corporation Bank, he then moved to IDBI Bank Ltd., where he managed money</p>

Name, Age, Designation, Educational Qualifications	Business Experience
Debt Fund Manager Graduate in Commerce from Delhi University, and holds a post-graduation in Business Economics from Indore University and a Diploma in Capital Markets from I.C.F.A.I.	market treasury (trading and ALM management). Prior to joining the Kotak Mahindra group, he also worked briefly at Ranbaxy Laboratories Ltd., managing US\$ 500 Million of foreign exchange treasury. Mr. Jain joined the AMC in 2003 as part of the Fund Management team.
Mr. Imran Sayed 38 years Debt Fund Manager PGDBM from Symbiosis, awarded the CFA charter by CFA Institute and FRM charter by GARP	Over six years of experience in the debt market. Before joining Kotak MF was working at Sahara India Financial Corporation managing the debt portfolio. Prior to that was working at Darashaw securities as an IRS dealer.
Mr. Deepak Agrawal 28 years Debt Fund Manager Post Graduate in Commerce from Mumbai University, a qualified chartered account and a company secretary. Also cleared AIMR CFA Level	Mr. Agrawal started his career with the AMC in September 2000 and moved to Debt Fund Management Team as research analyst in September 2001. Since April 2004, Mr Agrawal was Dealer in the debt fund management team
Mr. V. R Narasimhan 50 years Compliance Officer and Company Secretary Post graduate in commerce, business administration and member of the Institute of company secretaries of India.	Mr. Narasimhan was associated with NSDL- the first depository in the country since its inception. He was designated as Senior Vice President at NSDL immediately before joining Kotak AMC. He has total experience of over 25 years of which four years was as faculty at university level, about 10 years in a state level development financial institution, about three years in a national level market regulator and about 10 years in the depository.

The Chief Executive Officer , Chief Strategist and Global Head Equities Asset Management and Research Team of the Fund are based on the registered office of the AMC on 5th Floor, Bakhtawar, Nariman Point, Mumbai - 400 021. The Chief Operations Officer and the Compliance Officer are based at 91/92, 9th Floor, Sakhar Bhawan, 230, Nariman Point, Mumbai - 400 021.

Compliance Officer

Mr. V. R. Narasimhan
Kotak Mahindra Asset Management Company Limited
91/92, 9th Floor, Sakhar Bhawan,
230, Nariman Point, Mumbai 400 021

AUDITORS TO THE SCHEME

Price Waterhouse
252, Veer Savarkar Marg, Shivaji Park, Dadar,
Mumbai – 400 028

E. THE REGISTRAR

The Mutual Fund has appointed Computer Age Management Services Pvt. Limited ('CAMS') to act as Registrar and Transfer Agent ('the Registrar') to the Scheme. Registered with SEBI under registration no. INR000002813, CAMS has been performing the functions of Registrar for all the Schemes of the Fund and the Trustee and the AMC have satisfied themselves that CAMS can provide the services required and has adequate facilities, including systems capabilities and back up, to do so. As Registrar to the Scheme, CAMS accepts and processes investors' applications and advises the Mutual Fund in respect of the amounts received/dispensed for subscription/purchase/redemption. They also handle communications with investors, perform data entry services and dispatch Account Statements to Unitholders.

CAMS is responsible for carrying out diligently the functions of Registrar and Transfer Agent, as set out in the agreement entered into with them and as per any modification made thereto from time to time.

The AMC has the right to appoint additional Registrars or change the Registrar, if it deems fit.

F. THE CUSTODIANS

The Trustee has appointed Deutsche Bank A.G, Mumbai and Standard Chartered Bank, Mumbai, as the Custodians ('the Custodians') for the Schemes. The Custodians are approved by SEBI under Registration Nos. IN/CUS/003 and IN/CUS/006, respectively.

The Custodians keep in safe custody all the securities and other such instruments belonging to the Fund, ensures smooth inflow/outflow of securities and such other instruments as and when necessary in the best interest of the investors; and ensures that the benefits due to the holdings are recovered.

The Custodians charge the Mutual Fund fees in accordance with the terms of the custodian agreement.

The Trustee has the right to appoint additional Custodians or change the Custodian, if it deems fit.

To perform custodial services for securities of the Fund, the Custodians are bound to exercise the same degree of care as it exercises in respect of its own property. It is obligatory for the Custodians to ensure that all the services rendered to KMMF are professional, prompt, cost effective and efficient in nature. A Custodian agreement, which, inter-alia, sets out the responsibilities and functions of a Custodian, has been entered into with the Custodians.

IV. INVESTMENT OF FUND

A. SCHEMES ON OFFER

1. Kotak Gilt Savings Plan

a) Type of Plan

A Plan under an Open-ended dedicated Gilts Scheme

b) Investment Objective

The objective of the Scheme is to generate risk-free returns through investments in sovereign securities issued by the Central Government and/or State Government(s) and/or any security unconditionally guaranteed by the Government of India, and/or reverse repos in such securities as and when permitted by RBI. A small portion of the fund may be invested in the inter-bank money market in order to meet the day-to-day liquidity requirements of the Scheme. To ensure total safety of Unitholders' funds, the Scheme does not invest in any other securities such as shares, debentures or bonds issued by any other entity. The Fund will seek to underwrite issuance of Government Securities if and to the extent permitted by SEBI / RBI and subject to the prevailing rules and regulations specified in this respect and may also participate in their auction from time to time.

Subject to the maximum amount permitted from time to time, the Plan may invest in securities abroad, in the manner allowed by SEBI / RBI in conformity with the guidelines, rules and regulations in this respect. The Fund will seek permission to invest in government securities issued by G-7 nations, provided that such securities are considered as Investment Grade and provided RBI permits such Investment under the guidelines for a Dedicated Gilts Fund.

There is no assurance that the investment objective of the Plan will be achieved. It is however emphasised, that investments under the Scheme are made in Government Securities, where there is no risk of default of payment in principal or interest amount.

The performance of the Plan will be measured against I-Sec Si Bex.

c) Investment Strategy

The Plan predominantly invests in such government securities, that the weighted average maturity of the portfolio is upto four years.

d) The Risk Profile and Investment Pattern

The following table indicates, by maturity and category, the risks associated with Government Securities:

Balance Maturity	Risk Profile	
	Price Risk	Credit Risk
More than 5 years	Low	Zero
Between 1 to 5 years	Lower	Zero
Less than 1 year	Lowest	Zero
Securities held under Reverse Repos	Zero	Very low

The risk profile described above indicates that the risks of a portfolio of Government Securities are invariably lower than those of a portfolio of investments of other types of securities. Since Government Securities do not pose any credit risk, they are usually referred to as risk-free securities.

Investment Pattern

Portfolio of securities will have a Weighted Average Maturity of upto four years.

Note: The asset allocation shown above is indicative and may change for a short term on defensive considerations. Should the weighted

average maturity of the portfolio exceed four years, the portfolio will be reviewed and rebalanced.

Liquidity Support from RBI

Being a Plan dedicated exclusively to investments in Government Securities, the Fund can avail liquidity support of upto 20% of the outstanding value of its investments in Government Securities at the close of the previous Working Day. This facility has been made available by RBI under its Guidelines. Liquidity support under these guidelines is by way of outright sale of Government Securities by the Plan to RBI as well as by way of repo. To avoid duplication of portfolios and to reduce expenses, the Plan may invest in any other scheme of the Fund to the extent permitted by the Regulations. In such an event, as per the Regulations, the AMC cannot charge management fees on the amounts of the Plan so invested.

2. Kotak Gilt Investment Plan

a) Type of Plan

A Plan under an Open-ended dedicated Gilts Scheme

b) Investment Objective

The objective of the Plan is to generate risk-free returns through investments in sovereign securities issued by the Central Government and/or State Government(s) and/or any security unconditionally guaranteed by the Government of India, and/or reverse repos in such securities as and when permitted by RBI. A small portion of the fund may be invested in the inter-bank money market in order to meet the day-to-day liquidity requirements of the Plan. To ensure total safety of Unitholders' funds, the Plan does not invest in any other securities such as shares, debentures or bonds issued by any other entity. The Fund will seek to underwrite issuance of Government Securities if and to the extent permitted by SEBI/RBI and subject to the prevailing rules and regulations specified in this respect and may also participate in their auction from time to time.

Subject to the maximum amount permitted from time to time, the Plan may invest in securities abroad, in the manner allowed by SEBI/RBI in conformity with the guidelines, rules and regulations in this respect. The Fund will seek permission to invest in government securities issued by G-7 nations, provided that such securities are considered as Investment Grade and provided RBI permits such Investment under the guidelines for a dedicated Gilts Fund.

There is no assurance that the investment objective of the Plan will be achieved. It is however emphasised, that investments under the Plan are made in Government Securities, where there is no risk of default of payment in principal or interest amount.

The performance of the Plan will be measured against I-Sec Composite Index.

c) Investment Strategy

The Plan predominantly invests in government securities, without any restriction on the maturity of the portfolio.

d) The Risk Profile and Investment Pattern

The following table indicates, by maturity and category, the risks associated with Government Securities. :

Balance Maturity	Risk Profile	
	Price Risk	Credit Risk
More than 5 years	Low	Zero
Between 1 to 5 years	Lower	Zero
Less than 1 year	Lowest	Zero
Securities held under Reverse Repos	Zero	Very low

The risk profile described above indicates that the risks of a portfolio of Government Securities are invariably lower than those of a portfolio of investments of other types of securities. Since Government Securities do not pose any credit risk, they are usually referred to as risk-free securities.

Investment Pattern

There will be no restriction on maturity of securities.

e) Right to Put

Unitholders under the Provident Fund and Trust Plan will have a Right to Put or switch-out, part or all of their holdings (specified as Units or amount in Rupees) on any working day of the month.

The Trustee however reserves the right to alter the conditions mentioned above from time to time.

Liquidity Support from RBI

Being a Plan dedicated exclusively to investments in Government Securities, the Fund can avail liquidity support of upto 20% of the outstanding value of its investments in Government Securities at the close of the previous Working Day. This facility has been made available by RBI under its Guidelines. Liquidity support under these guidelines is by way of outright sale of Government Securities by the Plan to RBI as well as by way of repo.

To avoid duplication of portfolios and to reduce expenses, the Plan may invest in any other scheme of the Fund to the extent permitted by the Regulations. In such an event, as per the Regulations, the AMC cannot charge management fees on the amounts of the Plan so invested.

3. Kotak Bond

a) Type of Scheme

An Open-ended Debt Scheme

b) Investment Objective

The investment objective of the Scheme is to create a portfolio of debt instruments such as bonds, debentures, Government Securities and money market instruments, including repos in permitted securities of different maturities, so as to spread the risk across a wide maturity horizon and different kinds of issuers in the debt markets. The Scheme may invest in call money / term money market in terms of RBI guidelines in this respect.

The performance of the Scheme is measured against Crisil Composite Bond Fund Index.

To reduce the risk of the portfolio, the Scheme may also use various derivative and hedging products from time to time, in the manner permitted by SEBI.

Subject to the maximum amount permitted from time to time, the Scheme may invest in offshore securities in the manner allowed by SEBI / RBI provided such investments are in conformity with the investment objective of the Scheme and the prevailing guidelines and Regulations.

Portfolio Turnover:

The Scheme has no specific target relating to turnover of securities, given the low liquidity in the debt market. However, the turnover is guided by sale and purchase of securities arising out of the purchase and redemption of Units and adjustments relating to the average maturity of securities in the portfolio, depending on the interest rate view of the Fund Manager. Turnover may also arise due to change or anticipation of change in the credit worthiness or credit rating of securities.

There is no assurance that the investment objective of the Scheme will be achieved.

c) Investment Strategy

The Scheme may invest in listed/unlisted and/or rated/unrated debt or money market instruments/securities, Gilts/ Government Securities, securities issued/guaranteed by the Central/State Governments, securities issued by public/private sector companies/corporations, financial institutions and/ or money market instruments such as commercial paper, certificates of deposit, permitted securities under a repo agreement etc., provided the investments are within the limits indicated in the Investment Pattern Table. The instruments may carry fixed rate of return or floating rate of return or may be issued on discount basis. Investments are made in such instruments, which, in the opinion of the Fund Manager, are an acceptable credit risk where chances of default are at a minimum. The Fund Manager is generally guided by, but not restrained by, the ratings announced by various rating agencies on the assets in the portfolio. The maturity profile of debt instruments is selected in accordance with the Fund Manager's view regarding market conditions, interest rate outlook and stability of rating. The Scheme may invest in call money/term money market in terms of RBI guidelines in this respect. Investment in unrated debt securities is made with the prior approval of the Board of the AMC, provided the investment is in terms of the parameters approved by the Board of the Trustee. Where the proposed investment is not within the parameters as mentioned above, approval of the Boards of both the AMC and the Trustee is taken before making the investment.

To avoid duplication of portfolios and to reduce expenses, the Scheme may invest in any other scheme of the Fund to the extent permitted by the Regulations. In such an event, as per the Regulations, the AMC cannot charge management fees on the amounts of the Schemes so invested.

The Fund may underwrite primary issuances of securities subject to the Regulations.

To reduce the risk of the portfolio, the Scheme may also use various derivative and hedging products from time to time, in the manner permitted by SEBI.

Subject to the maximum amount permitted from time to time, the Scheme may invest in offshore debt securities, in the manner allowed by SEBI/RBI, provided such investments are in conformity with the investment objective of the Scheme and the prevailing guidelines and Regulations.

d) The Risk Profile and Investment Pattern

The asset allocation under the Scheme, under normal circumstances, is as follows:

Investments	Indicative Allocation	Risk Profile
* Debt Instruments with maturity more than one year	25% to 100%	Medium
* Debt and Money Market instruments with maturity less than one year	10% to 100%	Low to Medium

* Debt instruments are deemed to include securitised debt and investment in securitised debts shall not exceed 50% of the net assets of the Scheme.

Note: The asset allocation shown above is indicative and may vary according to circumstances at the sole discretion of the Fund Manager, on defensive consideration or according to the interest rate view of the Fund Manager. Also, the composition may change due to purchases and redemption of Units or during adjustment of the average maturity of investments. Should the proportion of investments with maturity more than 1 year fall below 25%, the portfolio will be revived and rebalancing will be conducted within 10 working days.

4. Kotak Bond Short Term Plan

a) Type of Plan

A Plan under an Open-ended Debt Scheme

b) Investment Objective

The investment objective of the Plan is to provide reasonable returns and high level of liquidity by investing in debt instruments such as bonds, debentures and Government securities; and money market instruments such as treasury bills, commercial papers, certificates of deposit, including repos in permitted securities of different maturities, so as to spread the risk across different kinds of issuers in the debt markets. The Plan may invest in the call money/term money market in terms of RBI guidelines in this respect.

To reduce the risk of the portfolio, the Plan may also use various derivative and hedging products from time to time, in the manner permitted by SEBI.

The performance of the Plan will be measured against the Crisil Short Term Bond Fund Index.

Subject to the maximum amount permitted from time to time, the Plan may invest in offshore securities in the manner allowed by SEBI/RBI, provided such investments are in conformity with the investment objective of the Plan and the prevailing guidelines and Regulations.

Portfolio Turnover:

The Plan has no specific target relating to turnover of securities, given the low liquidity in the debt market. However, the turnover shall be guided by sale and purchase of securities arising out of the purchase and redemption of Units and adjustments relating to the average maturity of securities in the portfolio, depending on the interest rate view of the Fund Manager. Turnover may also arise due to change or anticipation of change in the credit worthiness or credit rating of securities.

There is no assurance that the investment objective of the Plan will be achieved.

c) Investment Strategy

The Plan may invest in listed/unlisted and/or rated/unrated debt or money market instruments such as commercial paper, certificates of deposit, permitted securities under a repo agreement etc., Gilts/Government securities, securities issued/guaranteed by the Central/State Governments, securities issued by public/private sector companies/corporations, financial institutions, securitised debts including mortgage backed securities when permitted. The instruments may carry fixed rate of return or floating rate of return or may be issued on discount basis. Investments will be made in instruments, which, in the opinion of the Fund Manager, are an acceptable credit risk and where chances of default are at a minimum. The Fund Manager is generally guided, but not restrained, by the ratings announced by various rating agencies on the assets in the portfolio. Investment in unrated debt securities will be made with the prior approval of the Board of the AMC, provided the investment is in terms of the parameters approved by the Board of the Trustee. Where the proposed investment is not within the parameters as mentioned above, approval of the Boards of both the AMC and the Trustee will be taken before making the investment. The maturity profile of debt instruments will be selected in accordance with the Fund Manager's view regarding market conditions, interest rate outlook, stability of rating and the liquidity requirement of the Plan.

The Plan may invest in call money/term money market in terms of RBI guidelines in this respect.

To avoid duplication of portfolios and to reduce expenses,

the Plan may invest in any other Plan of the Fund to the extent permitted by the Regulations. In such an event, the AMC cannot charge management fees on the amounts of the Plan so invested as required by the Regulations.

The Fund may underwrite primary issuances of securities as permitted under the Regulations.

d) Risk Profile and Investment Pattern

The asset allocation under the Plan will be as follows:

Investments	Indicative Allocation	Risk Profile
Debt and money market instruments with maturity upto 1 year*	50 to 100%	Low
Debt instruments with maturity above 1 year *	0 to 50%	Low to medium

* Debt instruments shall be deemed to include securitised debt and investment in securitised debts shall not exceed 50% of the net assets of the Plan.

Note: The asset allocation shown above is indicative and may change for a short term on defensive considerations. For investments in debt instruments with maturity above one year, a normal deviation of upto 50% of the maximum indicative allocation will be permissible. When investment in debt and money market instruments with maturity above one year exceeds 50% of the maximum indicative allocation, review and rebalancing will be conducted within three working days.

5. Kotak Floater Short Term Scheme

a) Type of Scheme

An Open-ended Debt Scheme

b) Investment Objective

The investment objective of the Scheme is to reduce the interest rate risk associated with investments in fixed rate instruments by investing predominantly in floating rate securities, money market instruments and using appropriate derivatives.

The Scheme's performance will be measured against the benchmark CRISIL Liquid Fund Index.

Subject to the maximum amount permitted from time to time, the Scheme may invest in offshore securities, which are in conformity with the investment objective of the Scheme and the prevailing guidelines and Regulations.

Portfolio Turnover:

The Scheme has no specific target relating to turnover of Securities. The turnover will be guided by sale and purchase of Securities. This will arise due to more than one reason. One will be the purchase and redemption of units by investors. The other will be the implementation of the interest rate view by the fund manager. This would be largely applicable to fixed rate securities as shown in the investment pattern. Turnover may also arise due to change or anticipation of change in the ratings of securities.

There can be no assurance that the investment objective of the Scheme will be achieved.

c) Investment Strategy

The Scheme will predominantly invest in floating rate debt securities and money market instruments. It will also use appropriate derivatives. The strategy is aimed at reducing interest rate risk.

The debt securities, both floating and fixed rate, will mainly comprise listed / unlisted and/or rated/non-rated debt, Gilts/ Government securities, securities issued/guaranteed by the

Central / State Governments, securities issued by public/private sector companies / corporations, financial institutions and/or money market instruments such as commercial paper, certificates of deposit, permitted securities under a repo agreement etc. and the investments will be within the limits indicated in the Investment Pattern Table. The Fund Manager may be guided by, but not restrained by, the ratings announced by various rating agencies on the assets in the portfolio. The maturity profile of debt instruments will be selected in accordance with the Fund Manager's view regarding market conditions, stability of rating and to a limited extent, interest outlook.

The Scheme may invest in call money/term money market subject to RBI guidelines in this respect.

Subject to the maximum amount permitted from time to time, the Scheme may invest in offshore securities in the manner allowed by SEBI/RBI provided such investments are in conformity with the investment objective of the Scheme and the prevailing guidelines and Regulations.

To avoid duplication of portfolios and to reduce expenses, the Scheme may invest in any other scheme of the Fund to the extent permitted by the Regulations. In such an event, the AMC may not charge management fees on the amounts of the Schemes so invested as required by the Regulations.

The Fund may underwrite primary issuances of securities subject to the Regulations.

d) The Risk Profile and Investment Pattern

The asset allocation under the Scheme, under normal circumstances, will be as follows:

Investments	Indicative Allocation	Risk Profile
* Floating rate debt securities and / or money market instruments, other debt securities with outstanding maturity of upto 182 days.	65 to 100%	Low
* Fixed rate debt securities	0 to 35%	Medium

* Debt securities / instruments are deemed to include securitised debts and investment in securitised debts shall not exceed 50% of the net assets of the Scheme.

A. The 'Mark-to-Market' component, excluding money market instruments, of the Schemes/Plans on a weekly average basis will be less than 10%.

(Mark to Market will mean the valuation of an asset (e.g. marketable securities, derivatives and other financial contracts) using a traded price or a derived price from the corresponding yield curve) and

B. The repricing tenor of each of the securities included in the portfolio of the Schemes/Plans will be 1 year or less as given below:

- i. For a fixed rate asset, the remaining tenor will be 1 year or less.
- ii. For a floating rate asset, the interest reset frequency will be 1 year or less.
- iii. For a fixed rate/floating rate asset where the principal is paid in a staggered and/or on amortizing basis (e.g. securitized papers), the average maturity of such an asset will be 1 year or less.
- iv. For Interest Rate Swaps,
 - a) the composite floating rate asset (underlying fixed rate asset and Interest Rate Swap, paying

fixed and receiving floating) will have interest reset frequency upto 1 year.

b) If Interest Rate Swaps (receiving fixed and paying floating), have been used to convert a floating rate asset into a fixed rate asset, the fixed leg of the Interest Rate Swap will have remaining tenor upto 1 year.

v. For Forward Rate Agreements, the summation of the beginning and end dates of the period covered will be 1 year or less.

C. If there are positions in Interest Rate Futures and Bond Futures, the repricing risk will be 1 year or less.

The floating rate debt securities in the above table include floating rate debt securities and fixed rate debt securities with interest rate swap.

Money market instruments will include repos / reverse repos or other instruments permitted by RBI.

Some of the investments may be in the call money market or in investments alternative to call money market. (As may evolve or be provided by RBI)

Note: The asset allocation shown above is indicative and may vary according to circumstances at the sole discretion of the Fund Manager on defensive consideration. The composition may change due to purchases and redemption of units or during adjustment of the average maturity of investments.

When the allocation of floating rate debt securities &/or money market securities, other debt securities with outstanding maturity of up to 182 days in the portfolio falls below 65% or the allocation of fixed rate debt securities goes above 35% a review and rebalancing will be conducted.

6. Kotak Liquid

a) Type of Scheme

An Open-ended Debt Scheme

b) Investment Objective

The investment objective of the Scheme is to provide reasonable returns and high level of liquidity by investing in debt instruments such as bonds, debentures and Government Securities; and money market instruments such as treasury bills, commercial paper, certificate of deposit, including repos in permitted securities of different maturities, so as to spread the risk across different kinds of issuers in the debt markets. The Scheme may invest in call money/term money market in terms of RBI guidelines in this respect.

The performance of the Scheme will be measured against Crisil Liquid Fund Index.

Subject to the maximum amount permitted from time to time, the Scheme may invest in offshore securities in the manner allowed by SEBI / RBI, provided such investments are in conformity with the investment objective of the Scheme and the prevailing guidelines and Regulations. To reduce the risk of the portfolio, the Scheme may also use various derivative and hedging products from time to time, in the manner permitted by SEBI.

Portfolio Turnover:

This being a liquid scheme for short-term investments, there is no specific target relating to the turnover of securities.

There is no assurance that the investment objective of the Scheme will be achieved.

c) Investment Strategy

The Scheme may invest in listed/unlisted and/or rated/unrated debt or money market instruments such as commercial paper,

certificates of deposit, permitted securities under a repo agreement etc., Gilts/Government securities, securities issued/guaranteed by the Central/State Governments, securities issued by public/private sector companies/corporations, financial institutions, securitised debts including mortgage backed securities when permitted. The instruments may carry fixed rate of return or floating rate of return or may be issued on discount basis. Investments are made in instruments, which, in the opinion of the Fund Manager, are an acceptable credit risk and where chances of default are at a minimum. The Fund Manager may be guided by, but not restrained by, the ratings announced by various rating agencies on the assets in the portfolio. Investment in unrated debt securities is made with the prior approval of the Board of the AMC, provided the investment is in terms of the parameters approved by the Board of the Trustee. Where the proposed investment is not within the parameters as mentioned above, approval of the Boards of both the AMC and the Trustee is taken before making the investment. The maturity profile of debt instruments is selected in accordance with the Fund Manager's view regarding market conditions, interest rate outlook, stability of rating and the liquidity requirement of the Scheme.

The Scheme may invest in call money/term money market in terms of RBI guidelines in this respect.

To avoid duplication of portfolios and to reduce expenses, the Scheme may invest in any other scheme of the Fund to the extent permitted by the Regulations. In such an event, the AMC may not charge management fees on the amounts of the Scheme so invested as required by the Regulations.

The Fund may underwrite primary issuances of securities as permitted under the Regulations.

Subject to the maximum amount permitted from time to time, the Scheme may invest in offshore debt securities, in the manner allowed by SEBI/RBI provided such investments are in conformity with the investment objective of the Scheme and the prevailing guidelines and Regulations. To reduce the risk of the portfolio, the Scheme may also use various derivative and hedging products such as interest rate swaps, futures, options etc., in accordance with the Regulations.

d) The Risk Profile and Investment Pattern

The asset allocation under the Scheme is as follows:

Investments	Indicative Allocation	Risk Profile
* Debt and money market instruments (including interbank call and repo)	100%	Low to Medium

* Debt securities / instruments are deemed to include securitised debt and investment in securitised debt will not exceed 50% of the net assets of the Scheme.

A. The 'Mark-to-Market' component, excluding money market instruments, of the Schemes/Plans on a weekly average basis will be less than 10%.

(Mark to Market will mean the valuation of an asset (e.g. marketable securities, derivatives and other financial contracts) using a traded price or a derived price from the corresponding yield curve) and

B. The repricing tenor of each of the securities included in the portfolio of the Schemes/Plans will be 1 year or less as given below:

- i. For a fixed rate asset, the remaining tenor will be 1 year or less.

- ii. For a floating rate asset, the interest reset frequency will be 1 year or less.
- iii. For a fixed rate/floating rate asset where the principal is paid in a staggered and/or on amortizing basis (e.g. securitized papers), the average maturity of such an asset will be 1 year or less.
- iv. For Interest Rate Swaps,
 - a) the composite floating rate asset (underlying fixed rate asset and Interest Rate Swap, paying fixed and receiving floating) will have interest reset frequency upto 1 year.
 - b) If Interest Rate Swaps (receiving fixed and paying floating), have been used to convert a floating rate asset into a fixed rate asset, the fixed leg of the Interest Rate Swap will have remaining tenor upto 1 year.
- v. For Forward Rate Agreements, the summation of the beginning and end dates of the period covered will be 1 year or less.

C. If there are positions in Interest Rate Futures and Bond Futures, the repricing risk will be 1 year or less.

7. Kotak Floater Long Term Scheme

a. Type of Scheme

An Open-ended Debt Scheme

b. Investment Objective

The investment objective of the Scheme is to reduce the interest rate risk associated with investments in fixed rate instruments by investing predominantly in floating rate securities, money market instruments and using appropriate derivatives.

The Scheme's performance will be measured against the benchmark CRISIL Liquid Fund Index.

The Scheme may invest in offshore securities, which are in conformity with the investment objective of the Scheme and the prevailing guidelines and Regulations.

Portfolio Turnover:

The Scheme has no specific target relating to turnover of Securities. The turnover will be guided by sale and purchase of Securities. This will arise due to more than one reason. One will be the purchase and redemption of units by investors. The other will be the implementation of the interest rate view by the fund manager. This would be largely applicable to fixed rate securities as shown in the investment pattern. Turnover may also arise due to change or anticipation of change in the ratings of securities.

There can be no assurance that the investment objective of the Scheme will be realised.

c. Investment Strategy

The Scheme will predominantly invest in floating rate debt securities and money market instruments. It may also invest in debt securities with an outstanding maturity of 1 year or more in accordance with the Investment Pattern table. It will also use appropriate derivatives. The strategy is aimed at reducing interest rate risk.

The debt securities, both floating and fixed rate, will mainly comprise listed/unlisted and/or rated/non-rated debt, Gilts/Government securities, securities issued/guaranteed by the Central/State Governments, securities issued by public/private sector companies/corporations, financial institutions and/or money market instruments such as commercial paper, certificates of deposit, permitted securities under a repo

agreement etc. and the investments will be within the limits indicated in the Investment Pattern Table. The Fund Manager may be guided by, but not restrained by, the ratings announced by various rating agencies on the assets in the portfolio. The maturity profile of debt instruments will be selected in accordance with the Fund Manager's view regarding market conditions, stability of rating and to a limited extent, interest rate outlook. The Scheme may invest in call money/term money market in terms of RBI guidelines in this respect. Investment in unrated debt securities will be made with the prior approval of the Board of the AMC, provided the investment is in terms of the parameters approved by the Board of the Trustee. Where the proposed investment is not within the parameters as mentioned above, approval of the Boards of both the AMC and the Trustee will be taken before making the investment.

The Scheme may invest in call money/term money market subject to RBI guidelines in this respect.

The Scheme may invest in offshore securities in the manner permitted by SEBI/RBI provided such investments are in conformity with the investment objective of the Scheme and the prevailing guidelines and Regulations.

The Scheme may invest in any other schemes of the Fund to the extent permitted by the Regulations. In such an event, the AMC may not charge management fees on the amounts of the Schemes so invested as required by the Regulations.

The Fund may underwrite primary issuances of securities subject to the Regulations.

To avoid duplication of portfolios and to reduce expenses the Scheme may invest in any other scheme of the Fund to the extent permitted by the Regulations. In such an event, as per the Regulations, the AMC cannot charge management fees on the amounts of the Schemes so invested.

The AMC will have an internal policy for selection of assets of the portfolio from time to time taking into account multiple ratings, rating migration, credit premium over sovereign risk, general economic conditions and such other criteria. Such an internal policy from time to time will lay down maximum/minimum exposure for different ratings, norms for investing in unrated paper, liquidity norms, and so on. Through such norms, the Scheme is expected to maintain a high quality portfolio and manage credit risk well.

e. The Risk Profile and Investment Pattern

The asset allocation under the Scheme, under normal circumstances, will be as follows:

Investments	Indicative Allocation	Risk Profile
* Floating rate debt securities &/or money market instruments, other debt securities with outstanding maturity of upto 182 days	65 to 100%	Low
* Fixed rate debt securities	0 to 35%	Medium

* Debt securities/instruments are deemed to include securitised debts and investment in securitised debts shall not exceed 50% of the net assets of the Scheme.

The floating rate debt securities in the above table include floating rate debt securities and fixed rate debt securities with interest rate swap.

Money market instruments will include repos / reverse repos or other instruments permitted by RBI.

Some of the investments may be in the call money market or in investments alternative to call money market. (as may evolve or be provided by RBI)

Pending deployment in terms of investment objective, the monies under the Scheme may be invested in short-term deposits of Scheduled Commercial Banks in terms of SEBI circular dated April 16, 2007 and October 26, 2007.

Note: The asset allocation shown above is indicative and may vary according to circumstances at the discretion of the Fund Manager on defensive consideration. The composition may change due to purchases and redemption of units or during adjustment of the average maturity of investments.

When the allocation of floating rate debt securities & money market securities, other debt securities with outstanding maturity of up to 182 days in the portfolio falls below 65% or the allocation of fixed rate debt securities goes above 35% a review and rebalancing will be conducted.

8. Kotak Flexi Debt Scheme

a. Type of Scheme

Open-Ended Debt Scheme

b. Investment Objective

The investment objective of the Scheme is to maximise returns through an active management of a portfolio of debt and money market securities.

The Scheme's performance is measured against the benchmark CRISIL Composite Bond Fund Index.

Subject to the maximum amount permitted from time to time, the Scheme may invest in offshore debt securities, in the manner allowed by SEBI/RBI, provided such investments are in conformity with the investment objectives of the Scheme and the prevailing guidelines and Regulations. To reduce the risk of the portfolio, the Scheme may also use various derivative and hedging products from time to time, in the manner permitted by SEBI.

Portfolio Turnover:

The Scheme has no specific target relating to turnover of securities. However, in view of the investment pattern of the Scheme where the portfolio allocations could move across debt securities such as government securities, corporate bonds and the money market securities, the portfolio turnover could be on the higher side. The turnover is also due to the sale and purchase of securities arising out of the purchase and redemption of Units. Turnover may also arise due to change or anticipation of change in the credit worthiness or credit rating of securities.

There is no assurance that the investment objectives of the Scheme will be realised.

c. Investment Strategy

The investment strategy is aimed at maximising returns through an active management of a portfolio of debt and money market securities.

The Fund Manager would endeavour to manage the portfolio actively among debt securities such as Government Securities, Corporate Bonds and Money Market instruments depending on the view on the interest rates and corporate spreads. In order to be able to churn the portfolio actively, focus would be on investing in securities having high liquidity.

The Scheme returns consist of the returns on account of coupon accrual and capital gains. The value of debt securities is inversely related to the interest rate movements. When interest rates rise the value of the debt security falls and when interest rates fall the value of debt security rise. The

degree of rise or fall in the value of such security is generally related directly to the maturity of the security.

The Government securities dominate the fixed income market in the country. This provides significant trading opportunities in the government securities across the yield curve. The corporate bond market volumes too have picked up after the dematerialisation of corporate debt. Normally the corporate bonds trade at a yield spread to the government security. This spread is the risk premium that the corporates have to pay over the zero sovereign risk. These spreads vary according to the credit rating and offer trading opportunities. The compression of these spreads over the underlying government security lead to a higher return in the corporate bonds than the return available in the Government security.

The Scheme will invest in debt securities comprising listed/unlisted and/or rated/non-rated debt, Gilts/Government securities, securities issued/guaranteed by the Central/State Governments, securities issued by public/private sector companies/corporations, financial institutions and/or money market instruments such as commercial paper, certificates of deposit, permitted securities under a repo agreement etc. and the investments will be within the limits indicated in the Investment Pattern Table. The Fund Manager may be guided by, but not restrained by, the ratings announced by various rating agencies on the assets in the portfolio. The maturity profile of debt instruments will be selected in accordance with the Fund Manager's view regarding market conditions, stability of rating and interest rate outlook.

Investments in unrated debt securities will be made with prior approval of the Board of the AMC, provided the investment is in terms of the parameters approved by the Board of Trustees. Where the proposed investment is not within the parameters as mentioned above, approval of the Boards of both the AMC and the Trustee will be taken before investing.

To avoid duplication of portfolios and to reduce expenses, the Scheme may invest in any other scheme of the Fund to the extent permitted by the Regulations. In such an event, as per the Regulations, the AMC cannot charge management fees on the amounts of the Schemes so invested, unless permitted by the Regulations.

The Fund may underwrite primary issuances of securities subject to the Regulations.

Subject to the maximum amount permitted from time to time, the Scheme may invest in offshore debt securities, in the manner allowed by SEBI/RBI, provided such investments are in conformity with the investment objectives of the Scheme and the prevailing guidelines and Regulations. To reduce the risk of the portfolio, the Scheme may also use various derivative and hedging products from time to time, in the manner permitted by SEBI.

The AMC will have an internal policy for selection of assets of the portfolio from time to time, taking into account multiple ratings, rating migration, credit premium over sovereign risk, general economic conditions and such other criteria. Such an internal policy from time to time will lay down maximum/minimum exposure for different ratings, norms for investing in unrated paper, liquidity norms and so on. Through such norms, the Scheme is expected to maintain a high quality portfolio and manage credit risk well.

d. The Risk Profile and Investment Pattern

The asset allocation under the Scheme, under normal circumstances, will be as follows:

Investments	Indicative Allocation	Risk Profile
* Debt Instruments with maturity more than one year	0% to 95%	Medium
* Debt and Money Market Instruments with maturity less than one year	5% to 100%	Low To Medium

* Debt securities/instruments are deemed to include securitised debts and investment in securitised debts shall not exceed 50% of the net assets of the Scheme.

Note: The asset allocation shown above is indicative and would enable the Fund Manager to take position in the debt market depending upon the market conditions. In a conducive interest rate scenario and/or with a favourable market outlook, the Fund Manager would increase the allocation of debt securities with maturity more than one year; while in adverse interest rate scenario and/or unfavourable market outlook, the Fund Manager would increase the allocation of debt and money market instruments with maturity less than one year. The asset allocation may vary substantially depending upon the Fund Manager's view on the market and/or interest rate. Also, the composition may change due to purchases and redemption of Units or during adjustment of the average maturity of investments. Should the proportion of investments with maturity less than 1 year fall below 2%, the portfolio will be reviewed and rebalanced.

9. Kotak Income Plus

a) Type of Scheme

Open-ended Income Scheme

b) Investment Objective

The investment objective of the Scheme is to enhance returns over a portfolio of debt instruments with a moderate exposure in equity and equity related instruments. By investing in debt securities, the Scheme will aim at generating regular returns, while enhancement of return is intended through investing in equity and equity related securities. The Scheme may also use various derivative and hedging products from time to time, in the manner permitted by SEBI.

The debt securities would include instruments such as bonds, debentures, Government Securities and money market instruments, including repos in permitted securities of different maturities, so as to spread the risk across different kinds of issuers in the debt markets. The Scheme may invest in call money / term money market in terms of RBI guidelines in this respect.

The Scheme's performance will be measured against the benchmark of the CRISIL MIP Blended Index.

Portfolio Turnover:

The Scheme has no specific target relating to turnover of securities. The turnover is due to the sale and purchase of securities arising out of the purchase and redemption of Units and adjustments relating to the average maturity of securities in the Portfolio, depending on the interest rate view of the Fund Manager. Turnover may also arise due to change or anticipation of change in the credit worthiness or credit rating of securities.

There is no assurance that the investment objective of the Scheme will be realised.

c) Investment Strategy

The investment strategy is aimed at generating regular returns by investing in debt securities and at the same time attempting to enhance returns through investments in equity and equity related instruments.

Debt Portion

Investments may be made in such instruments, which, in the

opinion of the Fund Manager, are of acceptable credit risk where chances of default are at a minimum. The Fund Manager may generally be guided by, but not restrained by, the ratings announced by various rating agencies on the assets in the portfolio. The maturity profile of debt instruments may be selected in accordance with the Fund Manager's view regarding market conditions, interest rate outlook and stability of rating.

Emphasis may be given to choosing securities, which, in the opinion of the Fund Manager, are less prone to default risk, while bearing in mind the liquidity needs arising out of the open-ended nature of the Scheme.

The Scheme is not restrained from investing in listed/unlisted and / or rated / unrated debt securities, Gilts / Government Securities, securities issued/guaranteed by the Central / State Governments, securities issued by public / private sector companies / corporations, financial institutions and / or money market instruments such as commercial paper, certificates of deposit, permitted securities under a repo agreement etc., provided the investments are within the limits indicated in the Investment Pattern Table. The instruments may carry fixed rate of return or floating rate of return or may be issued on discount basis. The Scheme may invest in call money / term money market in terms of RBI guidelines in this respect. Investment in unrated debt securities will be made with the prior approval of the Board of the AMC, provided the investment is in terms of the parameters approved by the Board of the Trustee. Where the proposed investment is not within the parameters as mentioned above, approval of the Boards of both the AMC and the Trustee will be taken before making the investment.

The AMC will have an internal policy for selection of assets of the portfolio from time to time, taking into account multiple ratings, rating migration, credit premium over sovereign risk, general economic conditions and such other criteria. Such an internal policy from time to time will lay down maximum/minimum exposure for different ratings, norms for investing in unrated paper, liquidity norms and so on. Through such norms, the Scheme is expected to maintain a high quality portfolio and manage credit risk well.

Equity Portion

The investment strategy of the AMC will be directed to investing in stocks as indicated in the Investment Pattern Table in this Offer Document, which, in the opinion of the Fund Manager, are priced at a material discount to their intrinsic value. Such intrinsic value will be a function of both past performance and future growth prospects. The process of discovering the intrinsic value will be through in-house research, supplemented by research available from other sources.

The equity portfolio may not be fully diversified at all points of time as the Fund Manager may restrict investments in a few select companies.

To avoid duplication of portfolios and to reduce expenses, the Scheme may invest in any other scheme of the Fund to the extent permitted by the Regulations. In such an event, as per the Regulations, the AMC cannot charge management fees on the amounts of the Schemes so invested.

The Fund may underwrite primary issuances of securities subject to the Regulations.

The Scheme may invest in ADRs/GDRs or other offshore securities. The Scheme may also use various derivative and hedging products from time to time, in the manner permitted by SEBI.

d) The Risk Profile and Investment Pattern

The asset allocation in the Scheme, under normal

circumstances, will be as follows:

Investments	Indicative Allocation	Risk Profile
* Debt and money market instruments	Upto 100%	Low to Medium
Equity and equity related instruments	Upto 20%	Medium to High

* Debt securities/instruments are deemed to include securitised debts and investment in securitised debts shall not exceed 50% of the net assets of the Scheme.

Note: The asset allocation shown above is indicative and may vary according to circumstances at the sole discretion of the Fund Managers, on defensive consideration or according to the interest rate view of the Fund Manager. Also, the composition may change due to purchases and redemption of Units or during adjustment of the average maturity of investments. Should the proportion of investments in equity and equity related instruments exceed 20%, the Portfolio will be reviewed and rebalanced.

10. Kotak Balance

a) Type of Scheme

An Open-ended Balanced (Equity and Debt) Scheme

b) Investment Objective

The investment objective of the Scheme is to achieve growth by investing in equity and equity related instruments, balanced with income generation by investing in debt and money market instruments. To reduce the risk of the portfolio, the Scheme may also use various derivative and hedging products from time to time, in the manner permitted by SEBI.

The performance of the Scheme will be measured against Crisil Balanced Fund Index.

Subject to the maximum amount permitted from time to time, the Fund will apply to SEBI and/or RBI for permission to invest in offshore securities including equities and equity related instruments and bonds / debentures and GDRs / ADRs of Indian companies for the portfolio. Subject to the maximum amount permitted from time to time, the Scheme may invest in offshore securities including GDRs / ADRs, in the manner allowed by SEBI / RBI provided such investments are in conformity with the investment objective of the Scheme and the prevailing guidelines and Regulations.

Portfolio Turnover:

The portfolio turnover will generally be about 150%. Portfolio turnover will exclude:

- the turnover caused on account of investing the initial corpus;
- the turnover caused on account of investing in debt and money market securities; and
- the turnover caused on account of fresh purchases and redemptions by Unitholders;

Turnover means the simple average of the aggregate of purchases and sales net of the above exclusions. These purchases and sales invite transaction costs viz. brokerage, stamp duty and custodian transaction charges.

There is no assurance that the investment objective of the Scheme will be achieved.

c) Investment Strategy

Balancing Equity and Debt Risk: The investment strategy is aimed at exploiting the potential for capital appreciation of equity and the stable returns of debt while balancing the risks of equity with the comparative safety of debt. Emphasis is given to choosing securities, which, in the opinion of the Fund Manager, are less prone to market risk and default risk, while bearing in mind the liquidity needs

arising out of the open-ended nature of the Scheme.

Equity Portion: The investment strategy of the AMC is directed to investing in stocks, which, in the opinion of the Fund Manager, are priced at a material discount to their intrinsic value and are less prone to market risk. Such intrinsic value is a function of both past performance and future growth prospects. The process of discovering the intrinsic value is through in-house research, supplemented by research available from other sources. For selecting particular stocks as well as determining the potential value of such stocks, the AMC will be guided, inter alia, by the following considerations:

1. The financial strength of the companies, as indicated by well recognised financial parameters;
2. The reputation of the management and its track record;
3. Companies that are relatively less prone to recessions or cycles, either because of the nature of their businesses or superior strategies followed by their management;
4. Companies which are generally believed to be a good credit risk;
5. Companies which pursue a strategy to build strong brands for their products or services and those which are capable of building strong franchises; and
6. The market capitalisation on, volatility and liquidity of the stock.

Risk is distributed by spreading investments over a range of industries/sectors.

Debt Portion: The Scheme may invest in listed/unlisted and/or rated/unrated debt or money market instruments/securities, Gilts/Government Securities, securities issued/guaranteed by the Central/State Governments, securities issued by public sector companies, financial institutions and/or money market instruments such as commercial paper, certificates of deposit, permitted securities under a repo agreement etc., provided the investment is within the limits indicated in the Investment Pattern Table. Investment in unrated debt securities is made with the prior approval of the Board of the AMC, provided the investment is in terms of the parameters approved by the Board of the Trustee. Where the proposed investment is not within the parameters as mentioned above, approval of the Boards of both the AMC and the Trustee is taken before making the investment. The maturity profile of debt instruments is selected in accordance with the Fund Manager's view regarding market conditions, interest rate outlook and stability of rating.

The Scheme may invest in call money / term money market in terms of RBI guidelines in this respect.

To avoid duplication of portfolios and to reduce expenses, the Scheme may invest in any other scheme of the Fund to the extent permitted by the Regulations. In such an event, the AMC cannot charge management fees on the amounts of the Schemes so invested, unless permitted by the Regulations.

d) The Risk Profile and Investment Pattern

The asset allocation under the Scheme, under normal circumstances, is as follows:

Investments	Indicative Allocation (% of total Proceeds of the Fund)	Risk Profile
Equity and Equity related instruments	51%	Medium to High
* Debt and Money Market instruments	49%	Low to medium

* Debt securities/instruments are deemed to include securitised debt and investment in securitised debt will not exceed 50% of the debt portion.

Note: The asset allocation shown above is indicative and may change depending on the Fund Manager's view of the market conditions for a short term on defensive considerations. The above allocation may change to maintain the ratio required for the Scheme to qualify as an equity oriented scheme under Sections 115R and 115T of Income Tax Act, 1961. Under the said provision, dividend distributed by Equity oriented schemes is exempt from dividend distribution tax. However, the equity exposure can vary between 50% and 70% of the net assets of the Scheme. If the exposure falls below the said lower limit or exceeds the upper limit, it will be restored within Seven (7) Working Days.

11. Kotak 30

a) Type of Scheme

An Open-ended Equity Growth Scheme

b) Investment Objective

To generate capital appreciation from a portfolio of predominantly equity and equity related securities. The portfolio will generally comprise of equity and equity related instruments of around 30 companies which may go up to 39 companies but will not exceed 39 at any point in time, and that these companies may or may not be the same which constitute the BSE Sensitive Index or the NSE Fifty (S&P CNX Nifty) index. Review and rebalancing will be conducted if the investment in companies exceed above 39. To reduce the risk of the portfolio, the Scheme may also use various derivative and hedging products from time to time, in the manner permitted by SEBI.

It is the Investment Manager's belief that having a portfolio constituting a greater number of investments does not necessarily result in either superior returns or a significant reduction in risk.

The performance of Kotak 30 is benchmarked against the S&P CNX Nifty.

Subject to the maximum amount permitted from time to time, the Scheme may invest in GDRs/ADRs of Indian companies for the Kotak 30 portfolio in the manner allowed by SEBI/RBI provided such investments are in conformity with the investment objective of the Scheme and the prevailing guidelines and Regulations.

Portfolio Turnover:

The portfolio turnover will not normally exceed 150% . Portfolio turnover will exclude:

- the turnover caused on account of investing the initial corpus;
- the turnover caused on account of investing in debt and money market securities; and
- the turnover caused on account of fresh purchases and redemptions by Unitholders.

Turnover means the simple average of the aggregate of purchases and sales net of the above exclusions. These purchases and sales invite transaction costs viz. brokerage, stamp duty and custodian transaction charges. The portfolio turnover limit of 150% is essential to enable portfolio restructuring when warranted.

There is no assurance that the investment objective of the Scheme will be achieved.

c) Investment Strategy

The investment strategy of the AMC is directed to investing in stocks, which, in the opinion of the Investment Manager, are priced at a material discount to their intrinsic value. Such intrinsic value is a function of both past performance and

future growth prospects. The process of discovering the intrinsic value is through in-house research supplemented by research available from other sources.

For selecting particular stocks as well as determining the potential value of such stocks, the AMC is guided, inter alia, by one or more of the following considerations:

1. The financial strength of the companies, as indicated by well recognised financial parameters;
2. Reputation of the management and track record;
3. Companies that are relatively less prone to recessions or cycles, either because of the nature of their businesses or superior strategies followed by their management;
4. Companies which pursue a strategy to build strong brands for their products or services and those which are capable of building strong franchises; and
5. Market liquidity of the stock.

Risk is managed by adequate diversification by spreading investments over a range of industries.

The Scheme may invest in listed/unlisted and/or rated/unrated debt or money market securities, provided the investments are within the limits indicated in the Investment Pattern Table. Investment in unrated debt securities is made with the prior approval of the Board of the AMC, provided the investment is in terms of the parameters approved by the Board of the Trustee. Where the proposed investment is not within the parameters as mentioned above, approval of the Boards of both the AMC and the Trustee is taken before making the investment.

To reduce the risk of the portfolio, the Scheme also uses various derivative and hedging products from time to time, in the manner permitted by SEBI.

Subject to the maximum amount permitted from time to time, the Scheme may invest in GDRs/ADRs, in the manner allowed by SEBI/RBI. Such investments will be in conformity with the investment objective of the Scheme and the guidelines and Regulations prevailing at the time.

d) The Risk Profile and Investment Pattern

The asset allocation under the Scheme, under normal circumstances, is as follows:

Investments	Indicative Allocation	Risk Profile
Equity and equity related securities	65% to 100%	Medium to High
* Debt and Money Market Instruments	0% to 35%	Low to Medium

* Debt securities/instruments are deemed to include securitised debt and investment in securitised debt will not exceed 50% of debt portion of the Scheme.

Note: The asset allocation shown above is indicative and may change for a short term on defensive considerations. Review and rebalancing will be conducted when the asset allocation falls outside the range indicated below.

12. Kotak Tech

a) Type of Scheme

An Open-ended Equity Growth Scheme

b) Investment Objective

The investment objective is to generate capital appreciation from a portfolio of predominantly equity and equity related securities in technology, other technology enabled companies and related sectors as given in the investment strategy.

The Performance of Kotak Tech will be measured against the BSE Tech Index.

The Fund may also use derivatives to hedge exposures as and when in the manner approved by SEBI. Subject to the maximum amount permitted from time to time, the Scheme may invest in GDRs/ADRs of Indian companies and/or listed securities issued by foreign companies, in the manner allowed by SEBI/RBI. Such investments will be in conformity with the investment objective of the Scheme and the guidelines and Regulations prevailing at the time.

Portfolio Turnover:

The portfolio turnover does not normally exceed 300% of the assets under management. Portfolio turnover excludes:

- the turnover caused on account of investing the initial corpus;
- the turnover caused on account of investing in debt and money market securities
- the turnover caused on account of fresh purchases and redemptions by Unitholders ; and
- the turnover caused by change of allocation to different sectors.

Turnover means the simple average of the aggregate of purchases and sales, net of the above exclusions. These purchases and sales invite transaction costs viz. brokerage, stamp duty and custodian transaction charges.

There is no assurance that the investment objective of the Scheme will be achieved.

c) Investment Strategy

The investment strategy of the AMC is directed to investing in stocks, which, in the opinion of the Investment Manager, are priced at a material discount to their intrinsic value. Such intrinsic value is a function of both past performance and future growth prospects. The process of discovering the intrinsic value is through in-house research supplemented by research available from other sources.

The scheme will focus on investing in technology companies, computer hardware, peripherals and components, software (products and services), telecom, telecommunications and media and entertainment, Internet and E-commerce, IT education and training, and other technology enabled companies. These sectors are classified as high growth sectors and are often characterized as being largely insulated from economic cycles but the companies in which the scheme invests could be adversely affected by technological change and obsolescence or by a lack of commercial acceptance of their new product or process. Though investment will be made in all or some of the companies forming part of BSE Tech Index, investments may not be made in the same proportion as the Index. The scheme will also invest in similar existing listed companies that are not a part of the index as well as new issues of companies from the relevant sector, which come into the market.

The limits upto, which the scheme may invest in individual scrips, will be in accordance with the limits prescribed under the regulations from time to time as applicable to sector specific schemes.

The AMC generally takes into account the following before investing in the stocks of any company:

1. The technology content, knowledge base, quality of human resources and potential for intellectual property
2. The financial strength of companies, as indicated by well recognized financial parameters
3. Reputation of the management / promoters and track record
4. Liquidity of the stock

The Scheme may invest in listed/unlisted and/or rated/unrated debt or money market securities provided the investments are within the limits indicated in the Investment Pattern Table. Investment in unrated debt securities is made with the prior approval of the Board of the AMC, provided the investment is within the terms / parameters approved by the Board of the Trustee. Where the proposed investment is not within the parameters as mentioned above, approval of the Boards of both the AMC and the Trustee is taken before making the investment.

To reduce the risk of the portfolio, the Scheme may also use various derivative and hedging products from time to time, in the manner permitted by SEBI.

To avoid duplication of portfolios and to reduce expenses, the Scheme may invest in any other scheme of the Fund to the extent permitted by the Regulations. In such an event, the AMC cannot charge management fees on the amounts of the Schemes so invested, unless permitted by the Regulations.

Subject to the maximum amount permitted from time to time, the Scheme may invest in GDRs/ADRs of Indian companies and/or listed securities issued by foreign companies, in the manner allowed by SEBI/RBI. Such investments will be in conformity with the investment objective of the Scheme and the guidelines and Regulations prevailing at the time.

d) The Risk Profile and Investment Pattern

The approximate asset allocation under the Scheme, under normal circumstances, is as follows:

Investments	Indicative Allocation	Risk Profile
Equity and equity related securities	65% - 100%	Medium to High
* Debt and money market Securities	0% - 35%	Low to Medium

* Debt securities / instruments are deemed to include securitized debt and investment in securitized debt will not exceed 50% of the debt portion of the scheme.

Note: The asset allocation show above is indicative and may change for a short term on defensive considerations. Review and rebalancing will be conducted when the asset allocation falls outside the range indicated above.

13. Kotak MNC

a) Type of Scheme

An Open-ended Equity Growth Scheme

b) Investment Objective

The investment objective of the Scheme is to generate capital appreciation from a portfolio of predominantly equity and equity related securities issued by multinational companies.

The performance of Kotak MNC is benchmarked against the BSE Sensex and S&P CNX Nifty.

To reduce the risk of the portfolio, the Scheme may also use various derivative and hedging products from time to time, in the manner permitted by SEBI. Subject to the maximum amount permitted from time to time, the Scheme may invest in GDRs / ADRs and/or listed securities issued by foreign companies, in the manner allowed by SEBI / RBI, provided such investments are in conformity with the investment objective of the Scheme and the guidelines and Regulations prevailing at the time.

Portfolio Turnover:

The portfolio turnover will not normally exceed 300% of the assets under management. Portfolio turnover will exclude:

- the turnover caused on account of investing the initial corpus;
- the turnover caused on account of investing in debt and money market securities;
- the turnover caused on account of fresh purchases and redemptions by Unitholders; and
- the turnover caused by change in asset allocation shown in the investment pattern table.

Turnover means the simple average of the aggregate of purchases and sales net of the above exclusions. These purchases and sales invite transaction costs viz. brokerage, stamp duty and custodian transaction charges.

There is no assurance that the investment objective of the Scheme will be achieved.

c) Investment Strategy

The investment strategy of the AMC is directed to investing in stocks issued by multinational companies, which, in the opinion of the Investment Manager, are priced at a material discount to their intrinsic value. Such intrinsic value is a function of both past performance and future growth prospects. The process of discovering the intrinsic value is through in-house research, supplemented by research available from other sources.

In India multinational companies operate in a wide range of industries. Currently investment opportunities are available in the following segments:

1. Fast Moving Consumer Goods
2. Consumer Durables (like air-conditioners, refrigerators, washing machines etc)
3. Information Technology
4. Engineering and Power Sector
5. Pharmaceuticals
6. Auto ancillaries

As India liberalises further, investment opportunities become available in other segments such as automobiles, insurance, banking and financial services, media and entertainment, utilities and services such as consultancy, hospitality and health care.

In selecting particular stocks as well as determining the potential value of such stocks, the AMC is guided, inter alia, by one or more of the following considerations:

- 1) A reputed foreign company or companies having a significant say in the management of the company;
- 2) The financial strength of the companies, as indicated by well recognised financial parameters;
- 3) Reputation of the management and track record;
- 4) Companies that are relatively less prone to recessions or cycles either because of the nature of their businesses or superior strategies followed by their management;
- 5) Companies which pursue a strategy to build strong brands for their products or services and those which are capable of building strong franchises;
- 6) Market liquidity of the stock.

The Scheme may invest in listed/unlisted and/or rated/unrated debt or money market securities, provided the investment is subject to the limits indicated in the Investment Pattern Table. Investment in unrated debt securities is made with the prior approval of the Board of the AMC, provided the investment is in terms of the parameters approved by the Board of the Trustee. Where the proposed investment is not within the

parameters as mentioned above, approval of the Boards of both the AMC and the Trustee is taken before making the investment.

The Scheme may also use various derivative and hedging products from time to time, in the manner permitted by SEBI to reduce the risk of the portfolio.

To avoid duplication of portfolios and to reduce expenses, the Scheme may invest in any other scheme of the Fund, to the extent permitted by the Regulations. In such an event, the AMC cannot charge management fees on the amounts of the Schemes so invested, unless permitted by the Regulations.

Subject to the maximum amount permitted from time to time, the Scheme may invest in GDRs/ADRs and/or listed securities issued by foreign companies, in the manner allowed by SEBI/RBI, provided such investments are in conformity with the investment objective of the Scheme and the guidelines and Regulations prevailing at the time.

d) The Risk Profile and Investment Pattern

The asset allocation under the Scheme, under normal circumstances, is as follows:

Investments	Indicative Allocation	Risk Profile
Equity and equity related securities	60% - 100%	Medium to High
* Debt and money market Securities	0% - 40%	Low to Medium

* Debt securities / instruments are deemed to include securitised debt and investment in securitised debt will not exceed 50% of the debt portion of the Scheme.

Note: The asset allocation shown above is indicative and may change for a short term on defensive considerations. Review and rebalancing will be conducted when the asset allocation falls outside the range indicated above.

14. Kotak Global India

a) Type of Scheme

Open-Ended Equity Growth Scheme

b) Investment Objective

The investment objective of the Scheme is to generate capital appreciation from a diversified Portfolio of predominantly equity and equity related securities issued by globally competitive Indian companies.

Globally Competitive Indian Companies are the ones, which have the ability to compete with other companies, globally. They are able to deliver products and services, which are globally acceptable. These companies will be looking at international markets for growth and these markets will account for large proportion of incremental growth for these companies. The contribution of international business to total revenues would differ depending upon the nature of the industry and company's overall positioning.

The Scheme's performance will be measured against the benchmark BSE Sensex. As mentioned above, the Scheme's Portfolio will comprise of Globally Competitive Indian Companies. While stand-alone sector indices are available, there is no composite index that can be used as a benchmark for the universe of stocks in the Scheme Portfolio. Hence in the absence of such a composite index we are benchmarking the Scheme against the BSE Sensex.

The Scheme may invest in offshore securities in the manner permitted by SEBI/RBI provided such investments are in

conformity with the investment objective of the Scheme and the prevailing guidelines and Regulations. To reduce the risk of the Portfolio, the Scheme may also use various derivative and hedging products from time to time, in the manner permitted by SEBI.

Portfolio Turnover:

The Portfolio turnover will not normally exceed 250%. Portfolio turnover will exclude:

- the turnover caused on account of investing the initial corpus;
- the turnover caused on account of investing in debt and money market securities; and
- the turnover caused on account of fresh purchases and redemptions by Unitholders.

Turnover means simple average of the aggregate of purchases and sales net of the above exclusions. These purchases and sales invite transaction costs viz. brokerage and custodian transaction charges. The Portfolio turnover limit of 250% is essential to enable Portfolio restructuring when warranted.

There is no assurance that the investment objective of the Scheme will be achieved.

Globally Competitive Indian Companies:

Globally Competitive Indian companies will benefit from two emerging trends i.e. increased outsourcing from India and expanding presence in the international markets.

India is positioning itself strongly as an outsourcing destination for companies in the developed countries. It has established itself as an attractive outsourcing destination for a variety of services and going forward, this success can be replicated in a variety of manufacturing businesses. India over the next 3 to 5 years can emerge as an outsourcing destination in a large number of areas like automobiles, engineering, pharmaceuticals, textiles etc.

Manufacturing holds great promise as Indian companies are increasingly expanding their business in international markets and this is expected to gain momentum. The underlying reason for this resurgence in the manufacturing sector is its improved competitiveness. The Indian corporate sector (largely manufacturing) has undergone a long and difficult structural adjustment as the import tariffs collapsed leading to increased competition and pricing pressure. Indian companies have not only improved their productivity dramatically but also upgraded their technology to benchmark themselves against their global peers. The other factor aiding the manufacturing sector revival is the improving infrastructure. As the physical infrastructure improves it will give confidence to international companies to increase outsourcing to India.

This restructuring process has not only made target companies more competitive but also has had a profound impact on the mindset of Indian managers. They have realized that the best way to hedge their local businesses is to expand their presence in the International markets. Lower cost of capital and stronger balance sheets will allow companies to undertake their international expansion plans.

International markets offer much bigger opportunity for Indian companies as compared to their domestic market. The capturing of this opportunity will lead to large value being created by these companies.

c) Investment Strategy

The investment strategy is directed to investing in stocks, which, in the opinion of the Investment Manager, are priced at a material discount to their intrinsic value. Such intrinsic value is a function of both past performance and future

growth prospects. The process of discovering the intrinsic value is through in-house research supplemented by research available from other sources.

For selecting particular stocks as well as determining the potential value of such stocks, the AMC is guided, inter alia, by one or more of the following considerations:

1. Companies that are focusing on international markets for growth.
2. The financial strength of the companies, as indicated by well recognised financial parameters;
3. Reputation of the management and track record;
4. Companies that are relatively less prone to recessions or cycles, either because of the nature of their businesses or superior strategies followed by their management;
5. Companies which pursue a strategy to build strong brands for their products or services and those which are capable of building strong franchises; and
6. Market liquidity of the stock.

Risk is managed by adequate diversification by spreading investments over a range of industries and companies. The universe of target companies puts certain limitations on the choice available for diversification. But we think increasingly greater alternatives will be available as more businesses focus on international markets for growth.

The Scheme will invest in listed/unlisted and/or rated/unrated debt or money market securities, provided the investments are within the limits indicated in the Investment Pattern Table. Investment in unrated debt securities is made with the prior approval of the Board of the AMC, provided the investment is in terms of the parameters approved by the Board of the Trustee. Where the proposed investment is not within the parameters as mentioned above, approval of the Boards of both the AMC and the Trustee is taken before making the investment.

The Scheme may invest in GDRs/ADRs, in the manner permitted by SEBI/RBI. Such investments will be in conformity with the investment objective of the Scheme and the prevailing guidelines and Regulations. The Scheme may also use various derivative and hedging products from time to time, in a manner permitted by SEBI to reduce the risk of the Portfolio.

d) Risk Profile and Investment Pattern

The asset allocation under the Scheme, under normal circumstances, will be as follows:

Investments	Indicative Allocation	Risk Profile
Equity and equity related securities	65% - 100%	Medium to High
Debt and money market Securities	0% - 35%	Low to Medium

The Scheme will not invest in securitised debts.

Note: The asset allocation shown above is indicative and may vary according to circumstances at the sole discretion of the Fund Manager, on defensive consideration. Review and rebalancing will be conducted when the asset allocation falls outside the range indicated above. If the exposure falls outside the above range, it will be restored within three Working Days.

15. Kotak Opportunities

a. Type of Scheme

An Open-Ended Equity Growth Scheme

b. Investment Objective

The investment objective of the Scheme is to generate capital appreciation from a diversified portfolio of equity and equity related securities.

The Scheme will invest in a mix of large and mid cap stocks from various sectors, which look promising, based on the growth pattern in the economy. For the purpose of determining mid cap stocks, the market capitalisation of companies will be considered. Currently, mid cap stocks will comprise of stocks of companies having a market capitalisation between Rs. 1,983.93 crores and Rs. 12,957.15 crores in line with the methodology which is used to determine the Value Research Market Capitalisation Classification of listed stocks on the BSE. Large Cap stocks will comprise of stocks of companies having a market capitalisation of more than Rs. 12,957.15 crores. The growth dynamics of the economy are changing rapidly with new and different sectors emerging as growth leaders. The Scheme will endeavour to capture the growth in various new sectors that will drive the economy at various points of time.

The Scheme's performance will be measured against the benchmark S&P CNX 500.

Subject to the maximum amount permitted from time to time, the Scheme may invest in offshore debt securities, in the manner allowed by SEBI/RBI, provided such investments are in conformity with the investment objectives of the Scheme and the prevailing guidelines and Regulations. To reduce the risk of the portfolio, the Scheme may also use various derivative and hedging products from time to time, in the manner permitted by SEBI.

Portfolio Turnover:

The portfolio turnover will not normally exceed 300%. Portfolio turnover will exclude:

- the turnover caused on account of investing the initial corpus;
- the turnover caused on account of investing in debt and money market securities; and
- the turnover caused on account of fresh purchases and redemptions by Unitholders.

Turnover means simple average of the aggregate of purchases and sales net of the above exclusions. These purchases and sales invite transaction costs viz. brokerage and custodian transaction charges.

There is no assurance that the investment objective of the Scheme will be realised.

c. Investment Strategy

The Scheme will invest across sectors based on performance and potential of companies within the sectors. It will invest in a mix of large cap and mid cap stocks. This portfolio diversification is with a view to derive superior performance compared to other diversified equity schemes.

Allocations between asset classes as well as the portfolio mix between large cap and mid cap stocks will be driven by the overall macro economic situation. The portfolio construction will be based on bottom up investment ideas. The restructuring witnessed amongst the Indian companies over the past decade has deepened and spread across sectors. Apart from the large companies, a lot of mid cap companies have restructured and become leaner.

As the economic growth gathers momentum and becomes broad based it will benefit the mid cap companies. This will throw large number of opportunities in the mid cap universe. Along with the fact that mid cap stocks are generally available

at lower valuations, they can also provide higher growth rates. The Scheme may invest in listed/unlisted and/or rated/unrated debt or money market securities, provided the investments are within the limits indicated in the Investment Pattern Table. Investment in unrated debt securities would be made with the prior approval of the Board of the AMC, provided the investment is in terms of the parameters approved by the Board of the Trustee. Where the proposed investment is not within the parameters as mentioned above, approval of the Boards of both the AMC and the Trustee would be taken before making the investment.

The Scheme may invest in GDRs/ADRs, in the manner permitted by SEBI/RBI. Such investments will be in conformity with the investment objective of the Scheme and the prevailing guidelines and Regulations. The Scheme may also use various derivative and hedging products from time to time, in a manner permitted by SEBI to reduce the risk of the portfolio.

d. The Risk Profile and Investment Pattern

The asset allocation under the Scheme, under normal circumstances, will be as follows:

Investments	Indicative Allocation	Risk Profile
Equity and Equity Related Securities	65% to 95%	Medium to High
Debt and Money Market Securities	5% to 35%	Low

The Scheme will not invest in securitised debts.

Note: The asset allocation shown above is indicative and may vary according to circumstances at the sole discretion of the Fund Manager, on defensive consideration. Review and rebalancing will be conducted when the asset allocation falls outside the range indicated above. If the exposure falls outside the above range, it will be restored within three Working Days.

16. Kotak Midcap Scheme

a. Type of Scheme

An Open-Ended Equity Growth Scheme

b. Investment Objective

The investment objective of the scheme is to generate capital appreciation from a diversified portfolio of equity and equity related securities.

The Scheme will predominantly invest in midcap stocks. For the purpose of determining midcap stocks, the market capitalisation of companies at the end of every calendar quarter will be considered. Currently, mid cap stocks will comprise of stocks of companies having a market capitalisation in the range of Rs 1983.93 crore to Rs. 12957.15 crore (As on September 30, 2007) in line with the methodology which is used to determine the Value Research Market Capitalisation Classification of listed stocks on the BSE. The classification will be based on the final stock price on the last trading day of each calendar quarter. The portfolio will be reviewed and rebalanced within a month from the calendar quarter end based on the classification.

The Midcap segment consists of companies, many of whom started out small. They have survived the uncertainties of the early years and have the potential to register good growth over the long term. These companies could be tomorrow's blue chip stocks.

The Scheme's performance will be measured against the benchmark CNX Nifty Junior.

Subject to the maximum amount permitted from time to time, the Scheme may invest in ADRs/GDRs or other offshore securities, in the manner allowed by SEBI/RBI, provided such

investments are in conformity with the investment objectives of the Scheme and the prevailing guidelines and Regulations. The Scheme may also use various derivative and hedging products from time to time, in the manner permitted by SEBI.

Portfolio Turnover:

The portfolio turnover will not normally exceed 250%. Portfolio turnover will exclude:

- the turnover caused on account of investing the initial corpus;
- the turnover caused on account of investing in debt and money market securities; and
- the turnover caused on account of fresh purchases and redemptions by Unitholders.

Turnover means simple average of the aggregate of purchases and sales net of the above exclusions. These purchases and sales invite transaction costs viz. brokerage and custodian transaction charges.

There is no assurance that the investment objective of the Scheme will be achieved.

c. Investment Strategy

The Scheme will invest predominantly (atleast 65%) in midcap stocks, which in the opinion of the Fund Manager offers above average earnings, growth potential and attractive valuation.

To pursue its investment objective, the Fund Manager has the discretion to invest in other than mid cap stocks (stocks, which have a market capitalisation of above or below the market capitalisation range of midcap stocks) and related derivatives. On defensive consideration, the Scheme may also invest debt and money market instruments.

In order to build a diversified portfolio of investments, the Scheme will make investments across sectors. The Scheme will normally invest in companies, which have the following characteristics:

- Proven products and services,
- Record of above average earnings growth and have potential to sustain such growth,
- Stock prices that appear to undervalue their growth prospects, and
- Companies, which are in their early and more dynamic stage of the life cycle, but are no more considered new or emerging.

The Scheme may invest in listed/unlisted and/or rated/unrated debt or money market securities, provided the investments are within the limits indicated in the Investment Pattern Table. Investment in unrated debt securities would be made with the prior approval of the Board of the AMC provided the investment is in terms of the parameters approved by the Board of the Trustee. Where the proposed investment is not within the parameters as mentioned above, approval of the Boards of both the AMC and the Trustee would be taken before making the investment.

Subject to the maximum amount permitted from time to time, the Scheme may invest in ADRs/GDRs or other offshore securities, in the manner allowed by SEBI/RBI, provided such investments are in conformity with the investment objectives of the Scheme and the prevailing guidelines and Regulations. The Scheme may also use various derivative and hedging products from time to time, in the manner permitted by SEBI.

To avoid duplication of portfolios and to reduce expenses the Scheme may invest in any other scheme of the Fund to

the extent permitted by the Regulations. In such an event, as per the Regulations, the AMC cannot charge management fees on the amounts of the Schemes so invested.

d. The Risk Profile and Investment Pattern

The asset allocation under the Scheme, under normal circumstances, will be as follows:

Asset Class	Investments	Indicative Allocation	Risk Profile
A.	Equity and Equity related instruments	65% to 100%	High
A1.	Midcap Stocks	65% to 100%	High
A2.	Other than Midcap Stocks	0 to 35%	High
B.	Debt and Money Market Securities	0 to 35%	Low

Note: The asset allocation (between asset classes A and B) shown above is indicative and may vary according to circumstance at the discretion of the Fund Manager, on defensive consideration. Review and rebalancing will be conducted when the asset allocation (between asset classes A and B) falls outside the range indicated above. If the exposure falls outside the above range, it will be restored within Ten Working Days

The asset allocation between A1 and A2 as indicated above shall be reviewed at the end of every calendar quarter and rebalancing, if required will be conducted within a month of review. The Scheme will not invest in securitised debt.

17. Kotak Contra Scheme

a. Type of Scheme

An Open-Ended Equity Growth Scheme

b. Investment Objective

The investment objective of the Scheme is to generate capital appreciation from a diversified portfolio of equity and equity related instruments.

The Scheme will invest in stocks of companies, which are fundamentally sound but are undervalued.

Undervalued stocks are stocks of those companies whose true long term potential is not yet recognised by the market. At times, the broad market takes time to appreciate the long-term potential of some fundamentally sound companies. Stocks of such companies are traded at prices below their intrinsic value and are regarded as undervalued stocks.

We believe that, over a period of time, the price of a stock reflects the intrinsic value of the underlying company. Thus, the moving up of the price of the undervalued stock towards its intrinsic value will help us generate capital appreciation for investors.

The Scheme's performance will be measured against the benchmark S&P CNX 500.

Portfolio Turnover:

The portfolio turnover will not normally exceed 300%. Portfolio turnover will exclude:

- the turnover caused on account of investing the initial corpus;
- the turnover caused on account of investing in debt and money market securities; and
- the turnover caused on account of fresh purchases and redemptions by Unitholders.

Turnover means simple average of the aggregate of purchases and sales net of the above exclusions. These purchases and sales invite transaction costs viz. brokerage

and custodian transaction charges.

There is no assurance that the investment objective of the Scheme will be realised.

c. Investment Strategy

While investing in stocks of companies across the range of market capitalisation, the Scheme will follow a bottom up approach to identify the universe of companies. Bottom up approach de-emphasizes the relative significance of economic and market cycles, focusing instead on the analysis of individual stocks.

Of the universe so defined, the Scheme's stock picking will broadly be guided by the following criteria: The companies which,

- i) Are fundamentally sound and have long term growth potential, and
- ii) Have attractive valuations, which is the difference between the estimated intrinsic value of the business and its current market price.

While estimating the intrinsic value of a company, some or all of the following factors will be considered:

The future growth potential of the company, acquisition values of similar companies in comparable times, its range of products and services, its competitive position in the industry, strength of its management, its financials, etc.

The attractive valuation could be a result of an early identification of positive fundamental changes in the underlying company, such as significant cost cutting, launch of new products, expanding distribution network, consolidation in the industry, etc.

In an endeavour to preserve capital in bearish market conditions, the Fund Manager may invest in money or debt market securities upto 35% of the portfolio.

The Scheme may invest in listed/unlisted and/or rated/unrated debt or money market securities, provided the investments are within the limits indicated in the Investment Pattern Table. Investment in unrated debt securities is made with the prior approval of the Board of the AMC, provided the investment is in terms of the parameters approved by the Board of the Trustee. Where the proposed investment is not within the parameters as mentioned above, approval of the Boards of both the AMC and the Trustee is taken before making the investment.

To reduce the risk of the portfolio, the Scheme may also use various derivative and hedging products from time to time, in the manner permitted by SEBI.

To avoid duplication of portfolios and to reduce expenses, the Scheme may invest in any other scheme of the Fund to the extent permitted by the Regulations. In such an event, the AMC cannot charge management fees on the amounts of the Schemes so invested, unless permitted by the Regulations.

Subject to the maximum amount permitted from time to time, the Scheme may invest in GDRs/ADRs, in the manner allowed by SEBI/RBI. Such investments will be in conformity with the investment objectives of the Scheme and the guidelines and Regulations prevailing at the time.

d. Risk Profile and Investment Pattern

The asset allocation under the Scheme, under normal circumstances, will be as follows:

Investments	Indicative Allocation	Risk Profile
Equity and Equity related Securities	65% to 100%	Medium to High
Debt and Money Market Securities*	0% to 35%	Low

* Debt securities/instruments are deemed to include securitised debt and investment in securitised debt will not exceed 50% of the debt portion.

Note: The asset allocation shown above is indicative and may vary according to circumstances at the sole discretion of the Fund Manager, on defensive consideration. Review and rebalancing will be conducted when the asset allocation falls outside the range indicated above. If the exposure falls outside the above range, it will be restored within Seven Business Days.

18. Kotak Equity Arbitrage Fund

a. Type of Scheme

Open-ended equity growth scheme

b. Investment Objective

The investment objective of the scheme is to generate capital appreciation and income by predominantly investing in arbitrage opportunities in the cash and derivatives segment of the equity market, and by investing the balance in debt and money market instruments.

The Scheme's performance will be measured against the benchmark CRISIL Liquid Fund Index

However there is no assurance that the investment objective of the scheme will be realized.

Portfolio Turnover:

Turnover for the scheme is a function of the following parameters:

- Purchase and repurchase of units
- Availability of profitable arbitrage opportunities
- Availability of profitable reverse arbitrage opportunity
- Availability of roll over of the profitable arbitrage opportunity

Since the extent of purchase and repurchase transactions and the above mentioned arbitrage opportunities is difficult to predict, there is no specific target with respect to the turnover of the scheme.

Portfolio turnover will exclude:

- The turnover caused on account of investing the initial corpus;
- The turnover caused on account of investing in debt and money market securities; and
- The turnover caused on account of fresh purchases and redemptions by Unitholders.
- The turnover caused on account of futures transactions, which are backed by delivery based transactions

Turnover means simple average of the aggregate of purchases and sales net of the above exclusions. These purchases and sales invite transaction costs viz. brokerage and custodian transaction charges.

c. Investment Strategy

The scheme will endeavor to invest predominantly in arbitrage opportunities between spot and futures prices of exchange traded equities and the arbitrage opportunities available within the derivative segment. If suitable arbitrage opportunities are not available in the opinion of the Fund Manager, the scheme may predominantly invest in debt and money market securities.

The fund manager will evaluate the difference between price of a stock in the futures market and in the spot market. If the price of a stock in the futures market is higher than in the spot market, after adjusting for cost and taxes, the scheme may buy the stock in the spot market and sell the same stock

in equal quantity in the futures market simultaneously.

For example, on 31-12-2006, the scheme buys 10,000 shares of HLL on spot @ Rs.144.80/- and at the same time sells 10,000 HLL futures for January 2007 expiry @ Rs.146.35. The scheme thus enters into a fully hedged transaction by selling the equity position in the futures market for expiry on 27-01-2007. If the scheme holds this position till expiry of the futures, the scheme earns an annualised net return (after adjusting brokerage, service tax and STT) of 8.46%, irrespective of what is the price of HLL on the date of expiry. On the date of expiry, if the price differential between the spot and futures position of the subsequent month maturity still persists, the scheme may rollover* the futures position and hold onto the position in the spot market. In case such an opportunity is not available, the scheme would liquidate the spot position and settle the futures position simultaneously.

* Rolling over of the futures transaction means,

- Unwinding the short position in the futures and simultaneously buying futures of the subsequent month maturity, and
- Holding onto the spot position.

There could also be instances of unwinding both the spot and the future position before the expiry of the current-month future to increase the base return or to meet redemption. Return enhancement through the use of arbitrage opportunity would depend primarily on the availability of such opportunities.

d. The Risk Profile and Investment Pattern

I. The asset allocation under normal circumstances will be as follows:

Investments	Indicative Allocation	Risk Profile
Equity and equity related instruments including derivatives	65%-90%	Low to medium
Debt and money market instruments including margin money deployed in derivatives transactions **	10%-35%	Low

Note: (i) ** Debt securities / instruments are deemed to include securitized debt and investment in securitized debt will not exceed 50% of the debt portion of the scheme.

(ii) The asset allocation as given under normal circumstances is indicative and may vary according to circumstances at the sole discretion of the Fund Manager. Review and rebalancing will be conducted when the asset allocation falls outside the range indicated above, within a reasonable period of time.

II. The asset allocation under defensive circumstances will be as follows:

Investments	Indicative Allocation	Risk Profile
Equity and equity related instruments including derivatives	0%-65%	Low to medium
Debt and money market instruments including margin money deployed in derivatives transactions **	35%-100%	Low

Note: (i) ** Debt securities / instruments are deemed to include securitized debt and investment in securitized debt will not exceed 50% of the debt portion of the scheme

(ii) Defensive circumstances are when the arbitrage opportunities in the market place are negligible or returns are lower than alternative investment opportunities as per allocation pattern. The allocation under defensive considerations will be made keeping in view the interest of the unitholders.

19. Kotak Lifestyle Fund

a. Type of Scheme

An Open - Ended Equity Growth Scheme

b. Investment Objective

The investment objective of the fund is to generate long-term capital appreciation from a portfolio of equity and equity related securities, generally diversified across companies, which are likely to benefit by changing lifestyle and rising consumerism in India.

The Scheme will predominantly invest in equity and equity related instruments across industries and companies, which are expected to benefit from the rising household spending in India. The scheme may also invest in Debt and Money Market Instruments, as per the Investment Pattern.

The Scheme's performance will be measured against the benchmark S&P CNX 500.

However, there is no guarantee or assurance that the schemes' objective will be achieved.

Subject to the maximum amount permitted from time to time, the Scheme may invest in ADRs/GDRs or other offshore securities, in the manner allowed by SEBI/RBI, provided such investments are in conformity with the investment objective of the Scheme and the prevailing guidelines and Regulations. The Scheme may also use various derivative and hedging products from time to time, in the manner permitted by SEBI.

About changing Lifestyle in India

Middle-market Indian consumers, over the last few years, are trading up to new products and services that deliver higher levels of quality, taste, and aspiration than conventional items. The higher disposable income level of middle class, availability of new products, brands and services, growing awareness and sophistication, changing family structures, affordable and easy credit etc. has changed their attitude to money and quality of life (lifestyle). This is likely to change the scale of demand of household goods and services such as autos, home goods, transportation and travel services, computer hardware, energy, telecom, commodity chemicals (like paints), home and consumer finance, food, personal care, sports equipment, pet food, fashion accessories, restaurants, housing, health care, leisure, entertainment and media. In other words, the fund will endeavour to invest in companies, which benefit directly from rising consumerism or changing lifestyle of people in country like India.

(The fund, in normal circumstances will not invest in sectors like infrastructure, IT consulting and services, Heavy Electrical Equipment, Construction Materials, Fertilisers and Agricultural Chemicals, Diversified Metals and Mining, Auto Ancillary, Industrial conglomerates, Steel, Speciality Chemicals, Industrial Machinery etc.)

Aligning with these changing social forces, business factors have also changed in this country. Entrepreneurs enjoy unprecedented access to capital; even small businesses can tap into global supply networks; malls have brought speciality retailers across India. The result is an environment that encourages people to upgrade their lifestyles and fuels consumerism and household spending.

About rising Consumerism in India

Indian economy seems to be sitting on an imminent

'consumption-boom'. The following factors make us believe that consumerism in India is about to rise, significantly:

- **Changing demographics will act as a long-term driver:** The population in the 15-55 age bracket, the most productive population class, is expected to go up in India, over the next few years. This class of population have the highest productivity, higher consumption needs and relatively higher propensity to borrow.
- **Growing Indian middle class:** The Indian middle class is growing and the same is likely to result in growing needs for products and services across various segments.
- **Rising consumer spends:** Due to availability of easier credit and rising income levels, consumer spends across the segments are rising. Moreover, there is a perceptible shift from single-income family to double-income family, increasing the total disposable income.
- **Lower cost of credit will boost their purchasing power:** The structural decline in interest rates would enhance investments (on the back of lower cost of capital) and boost consumption (due to lower cost of credit).

The higher consumption would lead to a consumption spree that would increase an aggregate demand to a new level leading to a healthy demand-pull. This would in turn give rise to a growth in corporate profits, making the companies scale up operations, leading them to hire more and more thus adding to the collective purchasing power. In short, this rising consumerism would result in a virtuous cycle of higher consumption leading to improved corporate performance, resulting in better employment conditions and healthy payouts, again leading to higher consumption.

Portfolio Turnover:

The portfolio turnover will not normally exceed 250%. Portfolio turnover will exclude:

- the turnover caused on account of investing the initial corpus;
- the turnover caused on account of investing in debt and money market securities; and
- the turnover caused on account of fresh purchases and redemptions by Unitholders.

Turnover means simple average of the aggregate of purchases and sales net of the above exclusions. These purchases and sales invite transaction costs viz. brokerage and custodian transaction charges. The portfolio turnover limit of 250% is essential to enable portfolio restructuring when warranted.

There is no assurance that the investment objective of the Scheme will be achieved.

c. Investment Strategy

To achieve the investment objective, the scheme will invest in equity and equity linked instruments across the market irrespective of capitalisation. The scheme will use bottom-up stock selection and invest across industries and companies, which are expected to benefit from the rising household spending on consumer goods and services in India.

The investment strategy of the AMC is directed to investing in stocks, which, in the opinion of the Investment Manager, are priced at a material discount to their intrinsic value. Such intrinsic value is a function of both past performance and future growth prospects. The process of discovering the intrinsic value is through in-house research supplemented by research available from other sources.

For selecting particular stocks as well as determining the potential value of such stocks, the AMC is guided, inter alia,

by one or more of the following considerations:

The financial strength of the companies, as indicated by well recognised financial parameters;

- Reputation of the management and track record;
- Companies that are relatively less prone to recessions or cycles, either because of the nature of their businesses or superior strategies followed by their management;
- Companies which pursue a strategy to build strong brands for their products or services and those which are capable of building strong franchises; and
- Market liquidity of the stock.

In addition to above, our fund management backed by proficient research team shall constantly strive to identify companies, which may benefit directly from rising consumerism and changing lifestyle in India. In an endeavour to preserve capital in bearish market conditions, the Fund Manager may invest in money or debt market securities upto 35% of the portfolio.

The Scheme may invest in listed/unlisted and/or rated/unrated debt or money market securities, provided the investments are within the limits indicated in the Investment Pattern Table. Investment in unrated debt securities is made with the prior approval of the Board of the AMC, provided the investment is in terms of the parameters approved by the Board of the Trustee. Where the proposed investment is not within the parameters as mentioned above, approval of the Boards of both the AMC and the Trustee is taken before making the investment.

To reduce the risk of the portfolio, the Scheme may also use various derivative and hedging products from time to time, in the manner permitted by SEBI.

To avoid duplication of portfolios and to reduce expenses, the Scheme may invest in any other scheme of the Fund to the extent permitted by the Regulations. In such an event, the AMC cannot charge management fees on the amounts of the Schemes so invested, unless permitted by the Regulations.

Subject to the maximum amount permitted from time to time, the Scheme may invest in GDRs/ADRs and foreign securities in the manner allowed by SEBI/RBI. Such investments will be in conformity with the investment objective of the Scheme and the guidelines and Regulations prevailing at the time.

d. The Risk Profile and Investment Pattern

The asset allocation under the Scheme, under normal circumstances, is as follows:

Investments	Indicative Allocation	Risk Profile
Equity and Equity related securities *	65% to 100%	Medium to High
Debt & Money Market Instruments **	0% to 35%	Low
Securitized Debt	0% to 18%	Low

* If permitted by SEBI under extant regulations/guidelines, the scheme may also engage in stock lending, not exceeding 20 % of the net assets of the Scheme, provided the minimum corpus of the scheme is Rs.100 Crores. The scheme may upto 25% of net assets invest in ADR/ GDRs and foreign equity securities, subject to applicable regulations.

** Debt instruments shall include investments in Foreign Debt Securities not exceeding 25% of the net assets of the debt component.

However, no investments will be made in foreign securitized debt. From time to time the Scheme may hold cash. Investments will also be made in derivative instruments not exceeding 25% of the net assets of the Scheme.

Note: The asset allocation shown above is indicative and may vary according to circumstances at the sole discretion of the Fund Manager, on defensive consideration. Review and rebalancing will be conducted when the asset allocation falls outside the range indicated above. If the exposure falls outside the above range, it will be restored within Seven Working Days.

B. General Overview of the various Markets/ Instruments/Securities

1. Overview of Debt Market

The Indian Debt Market has grown in size substantially over the years. The Reserve Bank of India has been taking steps to make the Indian Debt Market efficient and vibrant. Broadly, the debt market is divided in two parts viz. the Money Market and the Debt market. Money market instruments have a tenor of less than one year while debt market instruments have a tenor of more than one year. Money market instruments are typically commercial paper, certificates of deposit, treasury bills, trade bills, repos, interbank call deposit receipts etc. Debt market comprises typically of securities issued by Governments (Central and State), Banks, Financial Institutions, and Companies in the private and public sector, Corporations, Statutory Bodies etc.

The debt securities are mainly traded over the telephone directly or through brokers. The National Stock Exchange of India has a separate trading platform called the Wholesale Debt Market segment where trades put through member brokers are reported. The debt market is very liquid with the daily trades in the region of Rs.2500-5000 crores.

RBI has introduced the Negotiated Dealing System (NDS) platform for screen-based trading in Government Securities and Money Market instruments. Most of the market participants are now operating through NDS.

Promoted by major banks and financial institutions, The Clearing Corporation of India Ltd. (CCIL), was incorporated on April 30, 2001. The CCIL guarantees the settlement of all trades executed through NDS. The clearing and settlement risks viz., Counter party Credit Risk and Operational Risk are mitigated by CCIL thereby facilitating a smooth settlement process.

The following table gives approximate yields prevailing as on

Instrument	Yield Range (% per annum)
Inter bank Call Money	6.00 – 6.05
91 Day Treasury Bill	7.15 – 7.25
364 Day Treasury Bill	7.50 – 7.65
P1+ Commercial Paper 90 Days	7.50 – 7.75
3-Year Government of India Security	7.70 – 7.85
5-Year Government of India Security	7.75 – 7.90
10-Year Government of India Security	7.85 – 7.95

October 29, 2007 on some of the money and debt market instruments. These yields are indicative and do not indicate yields that may be obtained in future as interest rates keep changing.

Generally, for instruments issued by a non-Government entity, the yield is higher than the yield on a Government Security with corresponding maturity. The difference, known as credit spread, depends on the credit rating of the entity. Investors must note that the yields shown above are the yields prevailing on October 29, 2007 and they are likely to change consequent to changes in economic conditions and RBI policy.

2. Overview of Derivative Market

The Indian Derivative market is still at a nascent stage compared to international markets. Equity Derivatives as a product was introduced in India only in June 2000. The first derivative product was Index Futures on the S&P CNX Nifty.

European style index options on the NIFTY were first introduced in June 2001. We have come a long way since then. As of today, Index Options are available on 5 indices – S&P CNX Nifty, CNX IT, Bank Nifty, Nifty Junior and CNX 100. American Style Stock Options were introduced in July 2001 and are currently available in around 207 stocks.

The Indian Derivative market has had its moment of glory in its relatively short lifespan. We were one of the few markets to introduce Single Stock Futures (SSF). Following India's lead, other leading exchanges such as EUREX and EURONEXT have introduced SSF's for trading.

All derivative contracts currently are available for 3 maturities – First month (Near), Second month (Middle) and Third month (Far Month).

Indian Equity Derivatives - The growing Opportunity: The volume of derivative contracts traded continues to increase. Average daily futures volumes have increased to around Rs. 60000 crores. At present the volume in the Derivative market is twice that of the cash market.

Increasing International Interest: FIIs hold around 30-35% of the total Futures Open Interest. Arbitrage funds are very active traders in India with Investments at any given point of time exceeding Rs. 4500 crores. Directional fund managers use Index / Stock Futures / Options for trading as well as hedging.

3. Investment in Derivatives

The Scheme may use derivative instruments such as index futures, stock futures, index options, stock options, warrants, convertible securities, swap agreements or any other derivative instruments that are permissible or may be permissible in future under applicable regulations, as would be commensurate with the investment objective of the Scheme. The manner of use of derivatives instruments is illustrated below:

Hedging & Portfolio balancing

As part of the fund management exercise under the Scheme, the Trustee may permit the use of any of the instruments mentioned above or any other instrument that may become permissible in the future under applicable regulations. Such investment in Index futures, Interest Rate Swaps, Stock options, Index Options, Stock Futures and other derivative instruments will be used with the objective of a) hedging the portfolio and/or b) rebalancing of the portfolio of the Scheme or c) for any other purpose as may be permitted by the Regulations from time to time.

The note below explains the concept of Index Futures, Options and Interest Rate Swaps, with an example each, for the understanding of the Unitholders.

Index Futures

Due to ease of execution and settlement, index futures are an efficient way of buying / selling an Index compared to buying / selling a portfolio of physical shares representing an Index. Index futures can be an efficient way of achieving a Scheme's investment objectives. Index futures may do away with the need for trading in individual components of the Index, which may not be possible at times, keeping in mind the circuit filter system and the liquidity in some of the scripts. Index futures can also be helpful in reducing transaction costs and processing costs on account of ease of execution of one trade compared to several trades of shares comprising the Index and will be easy to settle compared to physical portfolio of shares representing an Index

The National Stock Exchange and the Bombay Stock Exchange introduced Index futures on Nifty (NSE-50) and Sensex (BSE 30) for three serial months. For example, in the month of Jan 2007, three futures were available i.e. Jan, Feb and Mar 2007, each expiring on the last working Thursday of the respective month

Let us assume the Nifty Index was 6000 as on Dec 5, 2007 and three future indices were available as under:

Month	Bid Price	Offer Price
Dec 2007	6015	6016
Jan 2008	6018	6020
Feb 2008	6022	6025

The Fund could buy an Index of Dec 2007 as on Dec 5, 2007 at an offer price of 6016. The Fund would have to pay the initial margin as regulated by the exchanges and settle its Index position with daily marked to market i.e. receive profits/pay losses on a daily basis.

The following is a hypothetical example of a typical index future trade and the associated costs compared with physical stocks.

(Amount in Rupees)

Particulars	Index Future	Actual Purchase of Stocks
Index as on Dec 5, 2007	6000	6000
Dec 2007 Futures Cost	6016	
A. Execution Cost		
Carry costs (6016-6000)	16.00	Nil
B. Brokerage Cost		
Assumed at 0.04% for Index Future and 0.05% for spot stocks (0.04% of 6016) (0.05% of 6000)	2.4064	3.00
C. Securities Transaction Tax		
STT for Index Futures is Nil STT for Spot Stocks is 0.125% (0.125% of 6000)	Nil	7.50
D. Gains on Surplus Funds		
(Assuming 4% return on 91% of the money left after paying (9% margin) (4% x 6000 x 91% x 30 days ÷ 365) Cash Market/ Sale Price at expiry	17.9507	Nil
	6025	6025
E. Brokerage on Sale		
Assumed at 0.04% for Index Future and 0.05% for Spot stocks (0.04% of 6025) (0.05% of 6025)	2.410	3.0125
F. Securities Transaction Tax		
STT for Index Futures is 0.017% STT for Spot Stocks is 0.125% (0.017% of 6025) (0.125% of 6025)	1.0243	7.5313
Total Cost (A+B+C-D+E+F)	3.8900	21.0438
Profit	21.1100	3.9562

As the above example demonstrates, the cost differential

between purchasing Index Future and 50 stocks comprising Nifty (NSE-50) is a function of the carrying cost, the interest earned available to Fund Managers and the brokerage cost applicable in both cases. However, as mentioned earlier, as the Indian equity markets continues to have limitations in execution of trades due to the lack of adequate liquidity and the concept of circuit breakers, index future can allow a fund to buy all the stocks comprising the index at a nominal additional cost.

Please note that the above example is hypothetical in nature and the figures, brokerage rates etc. are assumed. In case the execution and brokerage costs on purchase of Index Futures are high and the returns on surplus funds are less, buying of index future may not be beneficial as compared to buying stocks comprising the Index. The actual return may vary based on actuals and depends on final guidelines / procedures and trading mechanism as envisaged by stock exchanges and other regulatory authorities.

Use of futures

Futures can effectively be used as a substitute for underlying stocks e.g. if the Scheme has received fresh subscriptions and if it is not immediately possible to invest the cash so received into intended stocks, the Fund Manager can buy a Future contract and subsequently replace them by actual purchase of stocks. The reverse can be done in case of redemption of Units.

The Scheme typically holds cash in order to meet sudden redemption requests. This cash holding reduces the overall returns of the Scheme. By buying futures relative to this cash holding the Scheme can effectively increase its exposure to the market while keeping the cash required to meet redemption requirement.

Futures will be used to hedge or rebalance the Portfolio or as permitted by the Regulations from time to time.

Option Contracts (Stock and Index)

In the global financial markets, particularly securities markets, options have been, for quite many years, a means of conveying rights from one party to another at a specified price on or before a specific date, at a cost, which is called Premium. The underlying instrument can be an individual stock or a stock index such as the BSE Sensex (such options being referred to as index options). Options are used widely the world over to manage risk and generate income. While managing risks, options will be preferred over futures if the long wants to hedge the downside risk while retaining the upside potential.

Option contracts are of two types - Call and Put; the former being the right, but not obligation, to purchase a prescribed number of shares at a specified price before or on a specific expiration date and the latter being the right, but not obligation, to sell a prescribed number of shares at a specified price before or on a specific expiration date. The specified price at which the shares are contracted to be purchased or sold is called the strike price. Options that can be exercised on or before the expiration date are called American Options, while those that can be exercised only on the expiration date are called European Options. In India, all individual stock options are American Options, whereas all index options are European Options. Option contracts are designated by the type of option, name of the underlying, expiry month and the strike price.

Example for Options hope these are all reviewed by marketing team.

Buying a Call Option: Let us assume that the Scheme buys a call option of ABC Ltd. with strike price of Rs. 3500, at a premium of Rs. 100. If the market price of ABC Ltd on the expiration date is more than Rs. 3500, the option will be exercised. The Scheme will earn profits once the share price crosses Rs. 3600 (Strike

Price + Premium i.e. 3500+100). Suppose the price of the stock is Rs. 3800, the option will be exercised and the Scheme will buy 1 share of ABC Ltd. from the seller of the option at Rs 3500 and sell it in the market at Rs. 3800, making a profit of Rs. 200. In another scenario, if on the expiration date the stock price falls below Rs. 3500, say it touches Rs. 3000, the Scheme will choose not to exercise the option. In this case the Scheme loses the premium (Rs. 100), which will be the profit earned by the seller of the call option.

Thus for an option buyer, loss is limited to the premium that he has paid and gains are unlimited. The risk of an option writer i.e. the seller of the option, is unlimited while his gains are limited to the premiums earned. However, in the case of the Scheme, all option positions will have underlying assets and therefore all losses due to price-movement beyond the strike price will actually be an opportunity loss as illustrated in the example below.

Writing a Call Option: Let us assume that the Scheme owns shares of ABC Ltd., which are trading at Rs. 3500. The Scheme wishes to sell these shares at Rs. 3800. It can write call option at Rs. 3800 and earn a premium of, say, Rs. 50. If the option is not exercised, the Scheme earns a premium and if the stock price does reach Rs. 3800, the premium adds to the profits that the Scheme would have booked by selling at that price. In this case, if the stock price of ABC Ltd. is less than Rs. 3800, the Scheme earns Rs 50 and if it closes above Rs. 3800 and the option gets exercised by the buyer, the Scheme gets the strike price of Rs. 3800 plus a premium of Rs. 50, i.e. effectively Rs. 3850. Any loss because of stock price movement beyond Rs. 3850 is actually an opportunity loss, as the Scheme would otherwise have sold the shares at Rs. 3800.

The above example is hypothetical in nature and all figures are assumed for the purpose of illustrating the use of call options in individual stocks. Similarly, analogies can be drawn to illustrate the use of put options in individual stocks, and call and put options in index.

Note on Risk: The risk (loss) for an option buyer is limited to the premium paid, while the risk (loss) of an option writer is unlimited, the latter's gain being limited to the premiums earned. However, in the case of the Scheme, all option positions will have underlying assets and therefore all losses due to price-movement beyond the strike price will actually be an opportunity loss. The writer of a put option bears a risk of loss if the value of the underlying asset declines below the strike price. The writer of a call option bears a risk of loss if the value of the underlying asset increases above the strike price.

The Scheme will use options only for the purpose of hedging and portfolio balancing or for any purpose as permitted by Regulations from time to time. Internal controls / limits for managing risks associated with options have been set up / laid down. Option contracts will be undertaken as per the prescribed guidelines. Open positions in all call option contracts bought and put option contracts written/sold will be covered with underlying cash/cash equivalents. Open positions in all put option contracts bought and call option contracts written / sold will be covered with holdings in underlying securities. Internal limits currently approved are specified under the head 'Investment Limitation and Restrictions'.

Interest Rate Swap (IRS)

IRS is a widely used derivative product in the financial markets to manage interest rate risk. A typical transaction is a contract to exchange streams of interest rate obligation/income on a notional principle amount with a counter party, usually a bank. The two interest streams are, fixed rate on one side and floating rate on the other.

Example: Suppose the Fund holds a fixed rate bond of

maturity 5 years carrying a fixed interest rate (coupon) of 6% p.a. payable half yearly. Such an investment runs the risk of depreciation if interest rates rise. To manage this risk, the Fund can enter into an IRS with another market participant, here the Fund contracts to pay fixed rate, say 6.75% p.a., and receive a floating rate (say overnight MIBOR). This transaction is done for a notional principal amount equal to the value of the investment. By such a contract a fixed rate income is offset by a fixed rate payment obligation leaving only a floating rate income stream. Thus, without actually investing in a floating rate asset, the Fund starts earning a floating rate income, reducing the risk of depreciation associated with the fixed rate investment. Following table summarises the cash flow streams:

Original investment	6% p.a.
Pay (Fixed rate)	5.25% p.a. (IRS)
Receive (Floating rate)	MIBOR
Net Flow	MIBOR + 0.75% p.a. (*)

* (6% p.a. – 5.25 % p.a.)

The floating rate reference is defined in the swap agreement.

The above example illustrates a case of fixed to floating rate swap. A swap could be done to move from floating rate to fixed rate in a similar fashion.

Please note that the above example is hypothetical in nature and the interest rates are assumed. The actual return may vary based on actual and depends on the interest rate prevailing at the time the swap agreement is entered into.

The Scheme will be allowed to take exposure in Interest Rate Swaps only on a non-leveraged basis. A swap will be undertaken only if there is an underlying asset in the portfolio.

The Scheme may use other derivatives such as interest rate futures, etc, to meet the investment objective of the Scheme, whenever such instruments are available in the market.

C. POLICIES AND REGULATIONS APPLICABLE TO THE SCHEME

1. Fundamental Attributes and Changes Therein

The following constitute the fundamental attributes of the Scheme

- The character and type of the Scheme,
- The investment objective, investment pattern and investment strategy
- Terms of issue of the Scheme restricted to liquidity provisions and aggregate fees and expenses to be charged.

In accordance with Regulation 18 (15A), the Trustee shall ensure that there are no changes carried out in the fundamental attributes of the Scheme or the trust or fees and expenses payable or any other change which would modify the Scheme and affect the interest of Unitholders, unless;

- a written communication about the proposed change is sent to each Unitholder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Fund is situated and
- the Unitholders are given an option to exit at the prevailing Net Asset Value without any Exit Load. If the unitholder exercises option of exit due to changes in the fundamental attributes, the AMC and the trustees shall not be held liable to loss of tax benefits or any such other benefits, if any.

The exercise of rights reserved by the Trustee under this offer

document vis-à-vis prospective investments in any Scheme shall not constitute change in the fundamental attributes of the Scheme (refer paragraph " POWER TO REMOVE DIFFICULTIES", mentioned elsewhere in this Offer Document).

2. Borrowing Power

To meet the temporary liquidity needs of the Scheme for the purpose of repurchase, redemption, or payment of income to Unitholders, the Scheme may borrow in accordance with Regulation 44(2), with the prior approval of Trustees. The Fund may tie up with various banks/institutions for the above-mentioned facility. The Scheme may offer scheme assets as collateral against the borrowings and bear the interest and commitment charges charged on borrowings

3. Depository

The securities may be held in either physical or dematerialised form. If the securities are held in dematerialised form, the rules of the Securities and Exchange Board of India (Depositories and Participants) Regulations 1996 apply. In the case of Government Securities, the provisions of the Public Debt Act, 1944 and Rules thereunder apply.

4. Policy on Inter Scheme Transfers

Transfer of Investments from one Scheme to another scheme, present or to be floated in future, may be made at the discretion of the Fund Manager, as per the current regulations, only if:

- Such transfer is done at the prevailing market price for quoted instruments on spot basis; and
- The securities so transferred is/are in conformity with the investment objective of the scheme to which such transfer has been made.

5. Mode of Investment

The securities in which the Investment Manager may invest, under the Scheme will be through the primary as well as secondary markets, private placement, preferential/firm allotments, auctions/book building, and such others. These securities may be those listed on the various stock exchanges recognised by SEBI or unlisted securities and the investment will be in conformity with the pertinent rules and regulations, applicable at the time of making the investment.

6. Investments by the AMC in the Fund

The AMC reserves the right to invest its own funds in the Schemes as may be decided by the AMC from time to time and in accordance with SEBI Circular no. SEBI/IMD/CIR No. 10/22701/03 dated December 12, 2003 regarding minimum number of investors in the Scheme/ Plan. Under the Regulations, the AMC is not permitted to charge any investment management and advisory services fee on its own investment in the Schemes.

7. Investment Limitation and Restrictions

The following investment limitations and other restrictions, inter-alia, as contained in the Trust Deed and the Regulations apply to the Schemes. All the following limits shall apply at the time of making investments.

1. No loans may be advanced by the Mutual Fund and the Fund shall not borrow except to meet temporary liquidity needs of the Fund for the purpose of repurchase, redemption of Units or payment of interest or dividends to Unitholders, provided the Fund shall not borrow more than 20% of the net assets of the Scheme and the duration of such borrowing shall not exceed a period of six months or as may be permitted by the Regulations from time to time.
2. A Scheme may invest in another scheme, under the same AMC or any other mutual fund provided that the

aggregate interscheme investments made by all schemes under the same AMC or any other mutual fund shall not exceed 5% of the net assets of the Fund or any other limit as prescribed by the Regulations from time to time. The AMC is not permitted by the Regulations to charge any investment management and advisory services fee on such investments.

3. The Fund shall buy and sell securities only against deliveries. In no case shall the Fund engage in short selling, carry forward transactions or Badla financing.

Provided that the Fund may enter into derivatives transactions for the purpose of hedging and portfolio balancing in accordance with the guidelines issued by SEBI.

4. Pending deployment of the corpus of the Scheme in securities in terms of investment objective, the Fund can invest the corpus of the Scheme in short term deposits of scheduled commercial banks in terms of SEBI circular dated April 16, 2007 and October 26, 2007.
5. No Scheme shall make any investment in:
 - a) any unlisted security of an associate or group company of the Sponsor; or
 - b) any security issued by way of private placement by any associate or group company of the Sponsor; or
 - c) the listed securities of group companies of the Sponsor in excess of 25% of its net assets.
6. No Scheme shall invest in any Fund of Funds Scheme.
7. No Scheme shall invest more than 15% of its Net Assets in debt instruments issued by a single issuer which are rated not below investment grade; such limit may be extended to 20% of the net assets of the scheme with the prior approval of the Board of the Trustee and the Board of the AMC;

Provided that investments within such limits can be made in mortgage backed securities/asset backed securities which are rated not below the investment grade by a registered credit rating agency

Provided further that for investments made in securitised debt (mortgage backed securities/asset backed securities) restrictions at the originator level would not be applicable.

Provided further that such limit will not be applicable to investments in Money Market Instruments and Government Securities.

8. No Scheme shall invest more than 10% of its Net Assets in unrated debt instruments issued by a single issuer and the total investment in such instruments shall not exceed 25 % of the Net Assets of the scheme. All such investments shall be as per the parameters approved by the Boards of the Trustee and the AMC.

Provided further that for investments made in securitised debt (mortgage backed securities/asset backed securities) restrictions at the originator level would not be applicable.

9. Debentures, irrespective of any residual maturity period (above or below one year), shall attract the investment restrictions as applicable for debt instruments as specified under Clause 1 and 1 A of Seventh Schedule to the Regulations.
10. Investments of the Fund i.e. of all the Schemes put together, in the share capital of any company shall not exceed 10% of that company's paid-up capital carrying voting rights.
11. A Scheme shall not invest more than 10% of its Net Assets in the equity or equity related instruments of any company. Provided that, the limit of 10% shall not be applicable for

investments in case of index fund or sector or industry specific scheme.

12. A Scheme shall not invest more than 5% of its Net Assets in the unlisted equity shares or equity related instruments in the case of open-ended schemes and 10% in the case of close ended-schemes.
13. Wherever investments are made, the securities shall be purchased or transferred in the name of the Fund, on account of the Scheme concerned.

Modifications, if any, in the Investment Restrictions on account of amendments to the Regulations shall supercede/override the provisions of the Trust Deed.

Apart from the above investment restrictions, the Fund follows certain internal norms vis-à-vis limiting exposure to scrips, sectors etc, within the above mentioned restrictions, and these are subject to review from time to time.

Equity Schemes

All the following limits shall apply at the time of making investments.

1. In respect of Schemes that invest in equity instruments, the moment exposure in any scrip reaches 9.50% of the net assets of the investing Scheme; further purchases of that scrip shall be made only with the prior approval of the Compliance Officer/Chief Executive Officer. Where exposure in any scrip reaches 9.75% of the net assets of the investing Scheme, fresh purchases of the said scrip shall be immediately frozen.
2. The internal limit for application by the Scheme in the IPO of the equity instruments of any Company, where Kotak Mahindra Capital Company Limited is a lead manager, arranger or book runner shall be 7.5% of the net assets of the Scheme. For any application in excess of 7.5% but not more than 9.75% of the net assets of the Scheme in any such IPO, approval of all the independent Directors on the Board of AMC shall be sought. No application shall be made in excess of 9.75% of the net assets of the Scheme in any such IPO.
3. In the case of Kotak 30, even though the exposure in any scrip may exceed 10% of the net assets of the Scheme, due to reasons other than fresh purchases, the exposure shall not be allowed to exceed 15% of the net assets of the Scheme. Where, however, otherwise than due to fresh purchases, the exposure exceeds 15 % of the net assets, the exposure shall be immediately brought down below 15% by selling the excess over 15%.
4. In the case of Kotak 30 exposure to a sector shall not exceed 40% of the net assets of the Scheme and the excess over 40% in any sector shall be immediately brought down.
5. In the case of Kotak Balance, equity exposure shall be between 50% and 70% of the net assets of the Scheme and it shall be restored within seven Working Days if the exposure falls below the said lower limit or exceeds the upper limit.
6. For Kotak Equity Arbitrage Scheme, in case of investments in equity instruments, the moment gross exposure including derivatives in any scrip reaches 14% of the net assets of the Scheme, further purchases of that scrip shall be made only with the prior approval of the Compliance Officer / Chief Executive Officer. Where the exposure in any scrip including derivatives reaches 14.5% of the net assets of the Scheme, fresh purchases of the said scrip shall be immediately frozen.
7. Kotak Equity Arbitrage Scheme would not be participating in any of the Initial Public Offer of the

equity instruments of any Company.

8. Scheme wise norms have been laid down as follows for the use of options and futures:
- The maximum derivatives net position should always be $\leq 50\%$ of Net Assets of the respective Scheme.
 - In respect of Kotak 30, Kotak Tech, Kotak MNC, Kotak Global India, Kotak Opprotunities, Kotak Midcap and Kotak Contra, no derivatives positions (stock and index), requiring underlying cash/cash equivalents shall be taken in excess of 25% of the net assets of the respective Scheme, and no derivatives positions (stock and index), requiring holdings in underlying securities shall be taken in excess of 15% of the net assets or 25% of the equity portion of the respective scheme, whichever is lower.
 - In respect of Kotak Balance, no derivatives positions (stock and index), requiring underlying cash / cash equivalents shall be taken in excess of 25% of the net assets and no derivatives positions (stock and index), requiring holdings in underlying securities shall be taken in excess of 15% of the net assets or 30% of the equity portion, whichever is lower.
 - As per internal limits currently approved, for all equity schemes, exposure to interest rate swaps shall be restricted to 25% of the net assets of the Scheme concerned
 - The limits in derivatives positions as mentioned above may exceed due to reasons other than fresh positions. However, the positions shall not be allowed to exceed the following limits:

In respect of Kotak 30, Kotak Tech, Kotak MNC, Kotak Global India, Kotak Opprotunities, Kotak Midcap and Kotak Contra, 30% of the net assets of the respective Scheme in the case of positions (stock and index) requiring underlying cash / cash equivalents and 20% of the net assets or 30% of the equity portion of the respective Scheme at the beginning of the day, whichever is lower in the case of positions (stock and index), requiring holdings in underlying securities;

In respect of Kotak Balance, 30% of the net assets in the case of positions (stock and index) requiring underlying cash / cash equivalents and 20% of the net assets or 30% of the equity portion of the Scheme, whichever is lower in the case of positions (stock and index), requiring holdings in underlying securities.

Cash:

In respect of Kotak 30, Kotak Tech, Kotak MNC, Kotak Global India, Kotak Opprotunities, Kotak Midcap and Kotak Contra, debt and money market component of the net assets excluding blocked cash/ cash equivalents shall not be less than 5% of the net assets of the respective Scheme;

In respect of Kotak Balance, debt and money market component of the net assets excluding blocked cash/ cash equivalents shall not be less than 30% of the net assets.

Stocks:

Unblocked stock position shall not be less than 40% of the net assets of the respective Scheme.

- The maximum limit for each long/short derivatives (stock/ index) positions is as follows:

No	Derivative	Action	Maximum Limit			
			Kotak 30, Kotak MNC, Kotak Tech, Kotak Global India, Kotak Opprotunities, Kotak Contra, Kotak Midcap		Kotak Balance	
			At time of Investment	At any point of time	At time of Investment	At any point of time
1	Index futures	Buy	25% of net assets	30% of net assets	25% of net assets	30% of net assets
2	Index futures	Sell	15% of net assets or 25% of equity portion of the Scheme, whichever is lower.	20% of net assets or 30% of equity portion of the Scheme, whichever is lower.	15% of net assets or 30% of equity portion of the Scheme, whichever is lower.	20% of net assets or 35% of equity portion of the Scheme, whichever is lower.
3	Index Options-Call	Buy	25% of net assets	30% of net assets	25% of net assets	30% of net assets
4	Index Options-Call	Sell	15% of net assets or 25% of equity portion of the Scheme, whichever is lower.	20% of net assets or 30% of equity portion of the Scheme, whichever is lower.	15% of net assets or 30% of equity portion of the Scheme, whichever is lower.	20% of net assets or 35% of equity portion of the Scheme, whichever is lower.
5	Index Options-Put	Buy	15% of net assets or 25% of equity portion of the Scheme, whichever is lower.	20% of net assets or 30% of equity portion of the Scheme, whichever is lower.	15% of net assets or 30% of equity portion of the Scheme, whichever is lower.	20% of net assets or 35% of equity portion of the Scheme, whichever is lower.
6	Index Options-Put	Sell	25% of net assets	30% of net assets	25% of net assets	30% of net assets
7	Stock futures	Buy	25% of net assets	30% of net assets	25% of net assets	30% of net assets
			Per Scrip limit: 10% of net assets subject to existing gross long position which will be a combination of positions of the underlying security and stock derivatives.		Per Scrip limit: 10% of net assets subject to existing gross long position which will be a combination of positions of the underlying security and stock derivatives.	
8	Stock futures	Sell	15% of net assets or 25% of equity portion of the Scheme, whichever is lower.	20% of net assets or 30% of equity portion of the Scheme, whichever is lower.	15% of net assets or 30% of equity portion of the Scheme, whichever is lower.	20% of net assets or 35% of equity portion of the Scheme, whichever is lower.

			Per Scrip limit: 100% of the particular stock holding in the Portfolio subject to existing blocked stock.		Per Scrip limit: 100% of the particular stock holding in the Portfolio subject to existing blocked stock.	
9	Stock options-Call	Buy	25% of net assets	30% of net assets	25% of net assets	30% of net assets
			Per Scrip limit: 10% of net assets subject to existing gross long position which will be a combination of positions of the underlying security and stock derivatives.		Per Scrip limit: 10% of net assets subject to existing gross long position which will be a combination of positions of the underlying security and stock derivatives.	
10	Stock options-Call	Sell	15% of net assets or 25% of equity portion of the Scheme, whichever is lower.	20% of net assets or 30% of equity portion of the Scheme, whichever is lower.	15% of net assets or 30% of equity portion of the Scheme, whichever is lower.	20% of net assets or 35% of equity portion of the Scheme, whichever is lower.
			Per Scrip limit: 100% of the particular stock holding in the Portfolio subject to existing blocked stock.		Per Scrip limit: 100% of the particular stock holding in the Portfolio subject to existing blocked stock.	
11	Stock options-Put	Buy	15% of net assets or 25% of equity portion of the Scheme, whichever is lower.	20% of net assets or 30% of equity portion of the Scheme, whichever is lower.	15% of net assets or 30% of equity portion of the Scheme, whichever is lower.	20% of net assets or 35% of equity portion of the Scheme, whichever is lower.
			Per Scrip limit: 100% of the particular stock holding in the Portfolio subject to existing blocked stock.		Per Scrip limit: 100% of the particular stock holding in the Portfolio subject to existing blocked stock.	
12	Stock options-Put	Sell	25% of net assets	30% of net assets	25% of net assets	30% of net assets
			Per Scrip limit: 10% of net assets subject to existing gross long position which will be a combination of positions of the underlying security and stock derivatives.		Per Scrip limit: 10% of net assets subject to existing gross long position which will be a combination of positions of the underlying security and stock derivatives.	

Kotak Lifestyle Fund

The investment in derivatives instruments is subject to the following position limits at the Mutual Fund (Fund) and the scheme level:

i. Position limit for the Mutual Fund in index options contracts:

- The Mutual Fund position limit in all index options contracts on a particular underlying index shall be Rs. 500 crore or 15% of the total open interest of the market in index options, whichever is higher, per Stock Exchange.
- This limit would be applicable on open positions in all options contracts on a particular underlying index.

ii. Position limit for the Mutual Fund in index futures contracts:

- The Mutual Fund position limit in all index futures contracts on a particular underlying index shall be Rs. 500 crore or 15% of the total open interest of the market in index futures, whichever is higher, per Stock Exchange.
- This limit would be applicable on open positions in all futures contracts on a particular underlying index.

iii. Additional position limit for hedging:

In addition to the position limits at point (i) and (ii) above, the Mutual Fund may take exposure in equity index derivatives subject to the following limits:

- Short positions in index derivatives (short futures, short calls and long puts) shall not exceed (in notional value) the Mutual Fund's holding of stocks.
- Long positions in index derivatives (long futures, long calls and short puts) shall not exceed (in notional value) the Mutual Fund's holding of cash, government securities, T-Bills and similar instruments.

iv. Position limit for Mutual Fund for stock based derivative contracts:

The Mutual Fund position limit in a derivative contract on a particular underlying stock, i.e. stock option contracts and

stock futures contracts, is defined in the following manner:-

- For stocks in which the market wide position limit is less than or equal to Rs. 250 crore, the Mutual Fund position limit in such stock shall be 20% of the market wide position limit.
- For stocks in which the market wide position limit is greater than Rs. 250 crore, the Mutual Fund position limit in such stock shall be Rs. 50 crore.

v. Position limit for each scheme of a Mutual Fund for stock based derivative contracts:

The scheme-wise position limit / disclosure requirements shall be –

- For stock option and stock futures contracts, the gross open position across all derivative contracts on a particular underlying stock of a scheme of a mutual fund shall not exceed the higher of:
 - 1% of the free float market capitalisation (in terms of number of shares)
 - or
 - 5% of the open interest in the derivative contracts on a particular underlying stock (in terms of number of contracts).
- This position limits shall be applicable on the combined position in all derivative contracts on an underlying stock at a Stock Exchange.
- For index based contracts, Mutual Funds shall disclose the total open interest held by its scheme or all schemes put together in a particular underlying index, if such open interest equals to or exceeds 15% of the open interest of all derivative contracts on that underlying index.

All the schemes that invest in Debt :

- In the case of Schemes that invest in debt instruments, investment shall be made in accordance with rating wise and issuer wise and maturity wise limits set for the purpose. Investment in instruments with credit rating below AA or equivalent thereto, as per CRISIL, CARE,

ICRA and D & P, shall be made only with the prior approval of the Board of Directors of the AMC.

2. The Board of Trustee has laid down parameters for investments in unrated debt securities. However, even where an investment in any unrated debt security (ies) is made as per the said parameters, the prior approval of the Board of the AMC shall be obtained. Where the proposed investment is not within the parameters as mentioned above, approval of the Boards of both the AMC and the Trustee shall be taken before making the investment.
3. As per internal limits currently approved, for all schemes except Kotak Floater Short Term Scheme and Kotak Floater Long term Scheme, exposure to interest rate swaps shall be restricted to 25% of the net assets of the Scheme concerned. In the case of Kotak Floater Short Term Scheme and Kotak Floater Long term Scheme, exposure to interest rate swaps shall be restricted to 65% of the net assets of the Scheme.

8. Computation of Net Asset Value

The NAV of the Units of the Scheme will be computed by dividing the net assets of the Scheme by the number of Units outstanding on the valuation date.

a. Valuation Norms

The Fund shall value its investments according to the valuation norms, as specified in the Eighth Schedule of the Regulations, or such guidelines / recommendations as may be specified by SEBI/AMFI from time to time.

The broad valuation norms are detailed below:

Traded Securities

- (i) Traded securities shall be valued at the last quoted price on The National Stock Exchange (NSE). However, if the securities are not listed on NSE, the securities shall be valued at the price quoted at the exchange where they are principally traded.
- (ii) When on a particular valuation day, a security has not been traded on NSE but has been traded on another stock exchange, the value at which it is traded on that stock exchange shall be used.
- (iii) When a security (other than debt securities) is not traded on any stock exchange on a particular valuation day, the value at which it was traded on NSE or any other stock exchange as the case may be, on the earliest previous day may be used, provided that such day is not more than thirty days prior to the valuation date.

Thinly Traded Securities / Non-Traded Securities:

A. Thinly Traded/ Non-Traded Equity and Equity Related Securities

Thinly traded equity / equity related securities as defined in the Regulations shall be valued in the manner as specified in the guidelines issued by SEBI, as follows:

When trading in an equity/equity related security (such as convertible debentures, equity warrants, etc.) in a month is both less than Rs. 5 lacs and the total volume is less than 50,000 shares, it shall be considered as a thinly traded security and valued accordingly.

In order to determine whether a security is thinly traded or not, the volumes traded in all recognised stock exchanges in India may be taken into account.

Where a stock exchange identifies the "thinly traded" securities by applying the above parameters for the preceding calendar month and publishes/provides the required

information along with the daily quotations, the same can be used by the mutual funds.

If the share is not listed on the stock exchanges which provide such information, then it will be obligatory on the part of the mutual fund to make its own analysis in line with the above criteria to check whether such securities are thinly traded which would then be valued accordingly.

In case trading in an equity security is suspended upto 30 days, then the last traded price would be considered for valuation of that security. If an equity security is suspended for more than 30 days, then the Asset Management Company/Trustees will decide the valuation norms to be followed and such norms would be documented and recorded.

Non traded / thinly traded securities shall be valued "in good faith" by the asset management company on the basis of valuation principles laid down below:

- a) Based on the latest available Balance Sheet, net worth shall be calculated as follows:
$$\text{Net Worth per share} = \frac{\text{[share capital+ reserves (excluding revaluation reserves) - Misc. Expenditure and Debit Balance in P\&L A/c]}}{\text{Divided by No. of Paid up Shares.}}$$
- b) Average capitalisation rate (P/E ratio) for the industry based upon either BSE or NSE data (which should be followed consistently and changes, if any noted with proper justification thereof) shall be taken and discounted by 75% i.e. only 25% of the Industry average P/E shall be taken as capitalisation rate (P/E ratio). Earnings per share of the latest audited annual accounts will be considered for this purpose.
- c) The value as per the net worth value per share and the capital earning value calculated as above shall be averaged and further discounted by 10% for illiquidity so as to arrive at the fair value per share.
- d) In case the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalised earning.
- e) In case where the latest balance sheet of the company is not available within nine months from the close of the year, unless the accounting year is changed, the shares of such companies shall be valued at zero.
- f) In case an individual security accounts for more than 5% of the total assets of the scheme, an independent valuer shall be appointed for the valuation of the said security.

B. Thinly Traded/ Non-Traded Debt Securities

A debt security (other than Government Securities) shall be considered as a thinly traded security if on the valuation date, there are no individual trades in that security in marketable lots (currently Rs 5 crore) on the principal stock exchange or any other stock exchange.

Non-traded/ Thinly traded Debt securities would be valued as per the norms set below:

a) Thinly Traded/ Non Traded Debt Securities of Upto 182 Days to Maturity:

As the money market securities are valued on the basis of amortization (cost plus accrued interest till the beginning of the day plus the difference between the redemption value and the cost spread uniformly over the remaining maturity period of the instruments) a similar process should be adopted for non-traded debt securities with residual maturity of upto 182 days. Debt securities purchased with residual maturity of upto 182 days are to be valued at cost

(including accrued interest till the beginning of the day) plus the difference between the redemption value (inclusive of interest) and cost spread uniformly over the remaining maturity period of the instrument. In case of a debt security with maturity greater than 182 days at the time of purchase, the last valuation price plus accrued interest should be used instead of purchase cost. All other non-traded Non Government debt instruments shall be valued using the method suggested below.

b) Thinly Traded /Non Traded Debt Securities of Over 182 Days to Maturity

For the purpose of valuation, all Non Traded Debt Securities would be classified into "Investment grade" and "Non Investment grade" securities based on their credit ratings. The non-investment grade securities would further be classified as "Performing" and "Non Performing" assets.

- All Non Government investment grade debt securities, classified as not traded, shall be valued on yield to maturity basis as described below.
- All Non Government non investment grade performing debt securities would be valued at a discount of 25% to the face value
- All Non Government non-investment grade non-performing debt securities would be valued based on the provisioning norms.

The approach in valuation of non-traded debt securities is based on the concept of using spreads over the benchmark rate to arrive at the yields for pricing the non-traded security.

The Yields for pricing the non-traded debt security would be arrived at using the process as defined below.

Step A

A Risk Free Benchmark Yield is built using the government securities (GOI Sec) as the base. GOI Secs are used as the benchmarks as they are traded regularly; free of credit risk; and traded across different maturity spectrums every week.

Step B

A Matrix of spreads (based on the credit risk) are built for marking up the benchmark yields. The matrix is built based on traded corporate paper on the wholesale debt segment of an appropriate stock exchange and the primary market issuances. The matrix is restricted only to investment grade corporate paper.

Step C

The yields as calculated above are Marked-up/Marked-down for ill-liquidity risk

Step D

The Yields so arrived are used to price the portfolio

As per the recommendation of AMFI, CRISIL Bond Valuation Matrix is used to arrive at yields for pricing the portfolio.

Valuation of securities with Put/Call Options:

However, the option embedded securities would be valued as follows:

Securities with call option:

The securities with call option shall be valued at the lower of the value as obtained by valuing the security to final maturity and valuing the security to call option.

In case there are multiple call options, the lowest value obtained by valuing to the various call dates and valuing to the maturity date is to be taken as the value of the instrument.

Securities with Put option:

The securities with put option shall be valued at the higher of the value as obtained by valuing the security to final maturity and valuing the security to put option.

In case there are multiple put options, the highest value obtained by valuing to the various put dates and valuing to the maturity date is to be taken as the value of the instruments.

Securities with both Put and Call option on the same day:

The securities with both Put and Call option on the same day would be deemed to mature on the Put/Call day and would be valued accordingly.

Unlisted Equity Shares:

Unlisted equity shares of a company shall be valued "in good faith" on the basis of the valuation principles laid down below:

Based on the latest available audited balance sheet, net worth shall be calculated as lower of (i) and (ii) below:

- (i) Net worth per share = [share capital plus free reserves (excluding revaluation reserves) minus Miscellaneous expenditure not written off or deferred revenue expenditure, intangible assets and accumulated losses] divided by Number of Paid up Shares.
- (ii) After taking into account the outstanding warrants and options, Net worth per share shall again be calculated and shall be = [share capital plus consideration on exercise of Option/Warrants received/receivable by the Company plus free reserves(excluding revaluation reserves) minus Miscellaneous expenditure not written off or deferred revenue expenditure, intangible assets and accumulated losses] divided by {Number of Paid up Shares plus Number of Shares that would be obtained on conversion/exercise of Outstanding Warrants and Options}

The lower of (i) and (ii) above shall be used for calculation of net worth per share and for further calculation in (c) below.

- a. Average capitalisation rate (P/E ratio) for the industry based upon either BSE or NSE data (which should be followed consistently and changes, if any, noted with proper justification thereof) shall be taken and discounted by 75% i.e. only 25% of the Industry average P/E shall be taken as capitalisation rate (P/E ratio). Earnings per share of the latest audited annual accounts will be considered for this purpose.
- b. The value as per the net worth value per share and the capital earning value calculated as above shall be averaged and further discounted by 15% for illiquidity so as to arrive at the fair value per share.

The above methodology for valuation shall be subject to the following conditions:

- i. All calculations as aforesaid shall be based on audited accounts.
- ii. In case where the latest balance sheet of the company is not available within nine months from the close of the year, unless the accounting year is changed, the shares of such companies shall be valued at zero.
- iii. If the net worth of the company is negative, the share would be marked down to zero.
- iv. In case the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalised earning.
- v. In case an individual security accounts for more than

5% of the total assets of the scheme, an independent valuer shall be appointed for the valuation of the said security. To determine if a security accounts for more than 5% of the total assets of the scheme, it should be valued in accordance with the procedure as mentioned above on the date of valuation.

At the discretion of the AMC and with the approval of the trustees, an unlisted equity share may be valued at a price lower than the value derived using the aforesaid methodology.

Money Market Instruments

Investments in call money, bills purchased under rediscounting scheme and short term deposits with banks shall be valued at cost plus accrual. Money market instruments other than call money, bills purchased under rediscounting scheme and short term deposits with banks, shall be valued at the last traded price on the National Stock Exchange (NSE), and where not traded, shall be valued at the last traded price plus amortization on the basis of the last traded price.

Government securities

Traded and non- traded Government Securities shall be valued as per the prices for Government Securities released by an agency suggested by AMFI for the sake of uniformity in calculation of NAVs across all mutual funds. Accordingly, traded and non-traded government securities are valued at prices obtained from The Credit Rating Information Services of India Limited.

Convertible debentures and bonds

In respect of convertible debentures and bonds, the non-convertible and convertible components shall be valued separately. The non-convertible component should be valued on the same basis as would be applicable to a debt instrument. The convertible component shall be valued on the same basis as would be applicable to an equity instrument. If, after conversion, the resultant equity instrument would be traded *pari passu* with an existing instrument which is traded, the value of the latter instrument can be adopted after an appropriate discount for the non-tradability of the instrument during the period preceding the conversion. While valuing such instruments, the fact as to whether the conversion is optional or not shall also be factored in.

Warrants

In respect of warrants to subscribe attached to instruments, the warrants can be valued at the value of the share which would be obtained on exercise of the warrant as reduced by the amount which would be payable on exercise of the warrant. A discount similar to the discount to be determined in respect of convertible debentures shall be deducted to account for the period, which must elapse before the warrant can be exercised.

Repo transactions

Where instruments have been bought on 'repo' basis, the instrument shall be valued at the resale price after deduction of applicable interest up to the date of resale. Where an instrument has been sold on a 'repo' basis, adjustment shall be made for the difference between the repurchase price (after deduction of applicable interest up to the date of repurchase) and the value of the instrument. If the repurchase price exceeds the value, the depreciation shall be provided for and if the repurchase price is lower than the value, credit shall be taken for the appreciation.

Rights Entitlement / Shares

Until they are traded, the value of "rights" shares shall be calculated as:

$$V_r = n + m \times (P_{ex} - P_{of})$$

Where V_r = Value of rights
 n = no. of rights offered
 m = no. of original shares held
 P_{ex} = Ex-rights price
 P_{of} = Rights Offer Price

Where the rights are not treated *pari passu* with the existing shares, suitable adjustments shall be made to the value of the rights. Where it is decided not to subscribe for the rights but to renounce them and renunciations are being traded, the rights can be valued at the renunciation value.

The valuation guidelines as outlined above are as per the Regulations prevailing at present and are subject to change from time to time, in conformity with changes made by SEBI.

All other guidelines not covered above and as specified in the Mutual Fund Regulations, as well as any additions/modifications thereto as may be specified by SEBI from time to time, shall be adhered to for the purpose of valuation.

b) Accrual of expenses and incomes

All expenses and incomes accrued up to the valuation date shall be considered for the computation of net asset value. For this purpose, while major expenses like management fees and other periodic expenses shall be accrued on a day to day basis, other minor expenses and income may not be so accrued, provided the non-accrual does not affect the NAV calculations by more than 1%.

c) Recording of Securities and Units in the books

Any change in the portfolio of securities and in the number of Units held shall be recorded in the books not later than the first valuation date following the date of transaction. If this is not possible given the frequency of the Net Asset Value disclosure, the recording may be delayed up to a period of seven days following the date of the transaction, provided that as a result of the non-recording, the Net Asset Value calculations shall not be affected by more than 1%. In case the Net Asset Value is affected by more than 1% due to such non-recording of transactions, the investors or the Scheme, as the case may be shall be paid the difference in the manner provided in the Regulations.

d) Calculation of NAV

NAV of Units under the Scheme or the Options there under can be calculated as shown below:

$$NAV = \frac{\text{Market or Fair Value of Scheme's investments} + \text{Current assets including Accrued Income} - \text{Current Liabilities and provisions including accrued expenses}}{\text{No. of Units outstanding under the Scheme/Option.}}$$

The NAV and the sale and repurchase prices of the Units will be calculated and announced at the close of each Working Day. Computation of NAV will be done after taking into account dividends paid, if any, and the distribution tax thereon, if applicable. Therefore, once dividends are distributed under the Dividend Option, the NAV of the Units under the Dividend Option would always remain lower than the NAV of the Units issued under the Growth Option. The income earned and the profits realized in respect of the Units issued under the Growth Option remain invested and are reflected in the NAV of the Units.

9. Accounting Policies

In accordance with the Mutual Fund Regulations, the Fund

follows the accounting policies and standards stated below:

1. For the Schemes, the AMC shall keep and maintain proper books of accounts, records and documents, so as to explain its transactions and to disclose at any point of time the financial position of the Scheme and in particular give a true and fair view of the state of affairs of the Fund.
2. For the purposes of the financial statements, the Mutual Fund shall mark all investments to market and carry investments in the balance sheet at market value. However, since the unrealised gain arising out of appreciation on investments cannot be distributed, provision shall be made for exclusion of this item when arriving at distributable income.
3. Dividend income earned by the Schemes shall be recognised, not on the date the dividend is declared, but on the date the share is quoted on an ex-dividend basis. For investments, which are not quoted on a stock exchange, dividend income shall be recognised on the date of declaration.
4. In respect of all interest-bearing investments, income shall be accrued on a day-to-day basis as it is earned. Therefore, when such investments are purchased, interest paid for the period from the last interest due date up to the date of purchase shall not be treated as a cost of purchase but shall be debited to Interest Recoverable Account. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale shall not be treated as an addition to sale value but shall be credited to Interest Recoverable Account.
5. In determining the holding cost of investments and the gains or loss on sale of investments, the "average cost" method shall be followed.
6. Transactions for purchase or sale of investments shall be recognised as of the trade date and not as of the settlement date, so that the effect of all investments traded during a financial year is recorded and reflected in the financial statements for that year. Where investment transactions take place outside the stock market, for example, acquisitions through private placement or purchases or sales through private treaty, the transaction shall be recorded, in the event of a purchase, as of the date on which the Scheme obtains an enforceable obligation to pay the price or, in the event of a sale, when the Scheme obtains an enforceable right to collect the proceeds of sale or an enforceable obligation to deliver the instruments sold.
7. Bonus shares to which the Schemes becomes entitled shall be recognised only when the original shares on which the bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis. Similarly, rights entitlement shall be recognised only when the original shares on which the rights entitlement accrues are traded on the stock exchange on an ex-rights basis.
8. Where income receivable on investments has been accrued and has not been received for the period specified in the guidelines issued by SEBI, provision shall be made by debiting to the revenue account the income so accrued in the manner specified by SEBI in this behalf.
9. When Units are sold, the difference between the sale price and the face value of the Unit, if positive, shall be credited to reserves and if negative, debited to reserves, the face value being credited to Capital Account.

Similarly, when Units are repurchased, the difference between the purchase price and the face value of the Unit, if positive shall be debited to reserves and, if negative, shall be credited to reserves, the face value being debited to the capital account. Accordingly, upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the unit premium reserve of the Scheme / Options, after an appropriate portion of the issue proceeds and redemption payout is credited or debited respectively to the income equalisation reserve. The unit premium reserve is available for dividend distribution except to the extent it is represented by unrealised net appreciation in value of investments.

10. When Units are sold an appropriate part of the sale proceeds shall be credited to an Equalisation Account and when Units are repurchased an appropriate amount debited to the Equalisation Account. The net balance on this account shall be credited or debited to the Revenue Account. The balance on the Equalisation Account debited or credited to the Revenue Account shall not decrease or increase the net income of the Fund but is only an adjustment to the distributable surplus. It shall, therefore, be reflected in the Revenue Account only after the net income of the Fund is determined. Accordingly, Income equalisation reserve is maintained by crediting (or debiting) the income equalisation reserve account in respect of purchase of units (or redemption of units) by an appropriate amount, which represents the distributable income at the time of purchase (or redemption). The balance in the income equalisation reserve account is transferred to the revenue account at the end of the year.
11. The cost of investments acquired or purchased shall include brokerage, stamp duty, applicable taxes and any charge customarily included in the broker's bought note. In respect of privately placed debt instruments any front-end discount offered shall be reduced from the cost of the investment.
12. For the Schemes, Initial Issue Expenses comprise Brokerage Agents' commission, advertising and marketing costs, registrar expenses, etc. and printing and dispatch costs. In case the Initial Issue Expenses are borne by the Scheme, the extent of expenses not met out of the exit load, if any, collected during the New Fund Offer may be amortised over a period not exceeding three years.
13. Following the issue of the Guidance Note on 'Accounting for Investments in the Financial Statements of Mutual Funds' by the Institute of Chartered Accountants of India (pursuant to the Eleventh Schedule of the SEBI Regulations) net unrealised appreciation/ depreciation in value of investments (including derivatives) is determined separately for each category of investments. Further, the change in net unrealised appreciation / depreciation, if any, between the two Balance Sheet dates/ date of determination is recognised in the revenue account. Unrealised appreciation is reduced from the distributable income at the time of income distribution. At the end of the financial year the balance in revenue account including net change in unrealised appreciation / depreciation in value of investments (including derivatives) is transferred to the revenue reserve.

The identification and provisioning of Non Performing Assets (Debt Securities) shall be in accordance with circular

no. MFD/CIR/8/92/2000 dated September 18, 2000 and modifications thereto vide circular no. MFD/CIR/14/088/2001 dated March 28, 2001, issued by SEBI. The circular dated September 18, 2000 also contains provisions for the treatment of income accrued on Non Performing Assets (NPA), treatment of assets on reclassification as performing assets, receipt of past dues, disclosures of NPAs on a half yearly basis along with the half yearly portfolio of the relevant Scheme etc.

The accounting policies and standards as outlined above are in accordance with the present Mutual Fund Regulations and are subject to change in accordance with changes in the Mutual Fund Regulations.

All other policies and standards as specified in the Mutual Fund Regulations, as well as any additions/modifications thereto as may be specified by SEBI from time to time shall be adhered to while preparing the books of accounts and financial statements of the Fund.

The Trustee may, at its discretion, require the Fund to follow more conservative accounting norms than as required by the Regulations in respect of non-performing assets or assets in default.

Accounting and Valuation Policies with respect to Derivative Products:

Interest Rate Swaps

Interest rate swaps with a maturity period of more than 182 days shall be marked to market by recording the net present values of differences in outflows and inflows as unrealised appreciation / depreciation. Interest rate swaps with a maturity period of 182 days and less shall be amortised.

Options

- Premium paid / received on bought / written option contracts shall be debited / credited to "equity option premium account" and recorded as an asset / liability.
- When the option contracts are squared off before expiry, the difference between the premium paid and received on the squared off transactions shall be recognised in the revenue account. When the option contracts are exercised on or before expiry, the difference between the option settlement price as determined by the exchange and the premium shall be recognised in the revenue account. If more than one option contracts in respect of the same stock / index with the same strike price and expiry date to which the squared off / exercised contract pertains is outstanding at the time of square off / exercise of the contract, the weighted average method shall be followed for determining the gain or loss.
- Premium asset / liability in respect of options not exercised / squared off as on expiry date shall be transferred to revenue account.
- As at the Balance Sheet date / date of determination, all open option positions shall be valued at the last quoted price at the exchange where it is traded. Non-traded equity option contracts shall be valued at fair value as per procedures determined by the AMC and approved by the Trustee. The unrealised appreciation / depreciation on all open positions shall be considered for determining net asset value.

Futures

- Futures contracts are marked to market daily at the futures settlement price as determined by the exchange. The variation margin calculated as the difference between the trade price or the previous day's settlement price, as the case may be, and the current day's settlement price shall be recorded as a receivable or payable.
- When a contract is closed (squared off)/ settled (on expiry), the difference between the Final Settlement / Square-Off price and the contract price is recognised in the revenue account. If more than one futures contracts in respect of the same stock / index and expiry date, to which the squared off / settled contract pertains, is outstanding at the time of square off / settlement of the contract, the weighted average method shall be followed for determining the gain or loss.
- As at the Balance Sheet date / date of determination, all open futures positions are valued at the last quoted price at the exchange where it is traded. Non-traded futures contracts shall be valued at fair value as per procedures determined by KMAMC and approved by the Trustee. The unrealised appreciation / depreciation on all open positions is considered for determining the net asset value.

10. Recording of Investment Decisions

With regard to investments in equity instruments, individual scrip wise reasons are maintained in respect of daily transactions. Such reasons are recorded at the time of placing orders. Further, a detailed report is made before taking any decision to invest in a new company (including unlisted equity shares) only after the prior approval of Mr. Sandesh Kirkire, Chief Executive Officer of the AMC, which is signified in the said detailed report, the Fund is allowed to invest in a new security. When it is decided to exit completely from a scrip, reasons for such decision are also recorded. In respect of debt instruments also, records in support of each investment decision are maintained. Each debt portfolio strategy is based on a duration objective. Investments in Government securities, as they do not carry any credit risk, are made based on the relevant portfolio strategy. In respect of corporate bonds, as they carry a credit risk, in addition to the duration objective, exposure limits for investment in a particular corporate are determined from time to time, and investments in these corporates are made within these exposure limits.

The decision of making investments will be exercised by the Fund Managers based on the relevant norms/policy approved by the Board of the AMC. The role of Mr. Sandesh Kirkire, Chief Executive Officer of the AMC revolves around ensuring that due diligence is exercised while making investment decisions, that processes and procedures are followed, and review is undertaken vis-à-vis norms, policies, mechanisms etc. laid down by the Board of the AMC. Performance of the Scheme will periodically be tabled before the Boards of the AMC and the Trustee respectively. The Boards of the Trustee and the AMC would monitor performance of the Scheme vis-à-vis benchmark indices periodically. Further, the Boards of the Trustee and the AMC will also review the performance of the Scheme in the light of performance of the mutual fund industry as published from time to time by independent research agencies and financial newspapers and journals.

V. UNITS

A. UNITS ON OFFER

1. Continuous Offer

The Continuous Offer for the Schemes commenced from the following dates:

Kotak Gilt - January 5, 1999; Kotak 30 – January 21, 1999; Kotak Bond – November 29, 1999; Kotak Balance – November 29, 1999; Kotak Tech – May 2, 2000; Kotak MNC - May 2, 2000; Kotak Liquid – October 6, 2000; Kotak Bond Short Term – May 3, 2002; Kotak Floater Short Term – July 15, 2003; Kotak Income Plus – December 3, 2003; Kotak Global India – February 3, 2004; Kotak Floater Long Term – August 16, 2004; Kotak Opportunities – September 10, 2004; Kotak Flexi Debt – December 7, 2004; Kotak Contra – July 27, 2005; Kotak Equity Arbitrage Fund – October 3, 2005; Kotak Lifestyle – March 24, 2006; Kotak Midcap – February 25, 2008.

2. Listing

Since the Schemes are open-ended, it is not necessary to list the Units of the Schemes on any exchange. Liquidity is ensured to investors by the purchase and sale of Units from/to the Fund at prices related to the relevant Applicable NAV for the purpose of purchasing or redeeming Units from the Fund.

The Trustee, however, has the right to list the Units under any of the Schemes on any stock exchange/s for better distribution and additional convenience to existing/prospective Unitholders. Even if the Units are listed, the Fund shall continue to offer purchase and redemption facility as specified in this offer document. Any listing will come only as an additional facility to investors who wish to use the services of a stock exchange for the purpose of transacting business in the Units of the Schemes.

3. Applicable NAV

For Schemes/Plans categorized as Liquid Schemes/Plans (i.e Kotak Liquid Regular Plan, Kotak Liquid Institutional Plan, Kotak Liquid Institutional Premium Plan, Kotak Floater Short Term Scheme)

Applicable NAV for Purchases/Switch ins

- where the application is received upto 12.00 noon on a day and funds are available for utilization on the same day – the closing NAV of the day immediately preceding the day of receipt of application;
- where the application is received after 12.00 noon on a day and funds are available for utilization on the same day – the closing NAV of the day immediately preceding the next business day ; and
- irrespective of the time of receipt of application, where the funds are not available for utilization on the day of the application – the closing NAV of the day immediately preceding the day on which the funds are available for utilization.

Applicable NAV for Redemption/ Switch outs

- where the application is received upto 3.00 pm – the closing NAV of the day immediately preceding the next business day ; and
- where the application is received after 3.00 pm – the closing NAV of the next business day.

For Schemes/Plans other than Liquid Schemes/Plans

Applicable NAV for Purchases/Switch ins

- where the application is received upto 3.00 pm with a local cheque or demand draft payable at par at the place where it is received – closing NAV of the day of receipt of application;
- where the application is received after 3.00 pm with a local cheque or demand draft payable at par at the place where it is received – closing NAV of the next business day ; and

- where the application is received with an outstation cheque or demand draft which is not payable on par at the place where it is received – closing NAV of day on which the cheque or demand draft is credited.

Applicable NAV for Redemption/ Switch outs

- where the application received upto 3.00 pm – closing NAV of the day of receipt of application; and
- an application received after 3.00 pm – closing NAV of the next business day.

Further, where the AMC or the Registrar has provided a facility to the investors to redeem /switch-out of the Scheme through the medium of Internet by logging onto specific web-sites or telephone and where investors have signed up for using these facilities, the Applicable NAVs will be as provided above.

4. Facilities Offered to Investors under the Scheme

a) Nomination Facility

In terms of SEBI Notification dated June 2002 nomination can be made only by individuals on their on behalf, singly or jointly. If the Units are held jointly, all joint Unit Holders will sign the nomination form. Other than an individual, no person including but not limited to a Company, Body Corporate, PSU, AOP, BOI, Society, Trust, Partnership Firm, Karta of HUF, Bank, FII and a holder of POA can nominate.

Unit Holder/s can, at the time an application is made or by subsequently writing to a Investor Service Centre, request for a Nomination Form in order to nominate any one person to receive the Units upon his/her death subject to the necessary completion of the necessary formalities eg. Proof of the death of the Unit Holder, signature of the nominee, furnishing proof of guardianship in case the nominee is a minor, execution of Indemnity Bond of or such other documents as may be required from the nominee in favour of and to the satisfaction of the Fund, the AMC, or the Trustee.

If the nominee is a minor, then the name and address of the guardian of such nominee shall be provided. An NRI can be a nominee subject to the Exchange Control Regulations from time to time. Other than an individual, no person including but not limited to Company, Body Corporate, PSU, AOP, BOI, Society, Trust (other than religious or charitable trust), Partnership Firm, Karta of HUF, Bank, FII, and a holder of POA can be a nominee.

Nomination in respect of the Units stands rescinded upon the redemption of Units. Cancellation of nomination can be made only by those individuals who hold Units on their own behalf singly or jointly and who made the original nomination. On cancellation of the nomination the nomination shall stand rescinded and the AMC/Fund shall not be under any obligation to transfer the Units in favour of the nominee.

Transfer of Units/payment to the nominee of the sums shall be valid and effectual against any demand made upon the Trust/AMC and shall discharge the Trust/AMC of all liability towards the estate of the deceased Unit Holder and his/her successors and legal heirs, executors and administrators.

If the Fund or the AMC or the Trustee were to incur, suffer, or any claim, demand, liabilities, proceedings or actions are filed or made or initiated against any of them in respect of or in connection with the nomination, they shall be entitled to be indemnified absolutely for any loss, expenses, costs, and charges that any of them may suffer or incur absolutely from the investor's estate.

b) Transmission

In case Units are held in a single name by the Unit Holder, Units shall be transmitted in favour of the nominee where the Unit Holder has appointed a nominee upon production of death certificate or any other documents to the satisfaction of the Fund, AMC/Trustee or Registrar. If the

Unit Holder has not appointed a nominee, the Units shall be transmitted in favour of the Unit Holder's executor/administrator of its estate/Legal heir(s) as the case may be on production of death certificate or any other documents to the satisfaction of the Fund, AMC/Trustee or Registrar.

In case Units are held jointly by more than one registered Unit Holder, then upon death of any one of the Unit Holder, Units shall be transmitted in favour of the surviving named Holder(s) on production of a death certificate or any other document to the satisfaction of the Fund, AMC/Trustee or Registrar.

The rights in the Units will vest in the nominee, if the joint holders have nominated any person, upon the death of all Joint Unit Holders upon the nominee producing a death certificate or any other document to the satisfaction of the Fund, AMC/Trustee or Registrar.

c) Fractional Units

Since a request for Purchase or Redemption is generally made in rupee amounts and not in terms of a fixed number of Units of a Scheme, an investor may be left with fractional Units. Purchases, redemptions and account balances of Units are calculated upto three decimal places (four decimal places in the case of Kotak Liquid). However, Fractional Units will not adversely affect the investor's ability to redeem the Units, either in part or in full, standing to the credit of the Unitholder.

d) Systematic Investment Plan (SIP)

This facility enables investors to save and invest periodically over a longer period of time. It is a convenient way to "invest as you earn" and affords the investor an opportunity to enter the market regularly, thus averaging the acquisition cost of Units. Any Unitholder can avail of this facility subject to certain terms and conditions contained in the Application Form. The Fundamental Attributes and other terms and conditions regarding purchase/redemption, price and related matters are the same as contained in this Offer Document.

The first SIP can be for any date of the month on which a NAV is declared in the scheme. In respect of the second and all subsequent SIPs, investors can choose between 1st, 7th, 14th, or 21st as the SIP Date and can also choose the SIP frequency as monthly or quarterly subject however, to the condition that there shall be a minimum gap of 28 days between the first and

the second SIP. The minimum SIP installment size is Rs. 1000/.

The SIP request should be for a minimum of 6 months / quarters. The SIP payments can be made either by issue of Post Dated Cheques or by availing the Auto Debit Facility through ECS (available in select locations only) or by availing the Direct Debit Facility / Standing Instructions Facility (available with select Banks only) However, the first investment in SIP through the Auto Debit Facility or Direct Debit Facility needs to be made compulsorily by issuance of a cheque from the account from which the Auto Debit / Direct Debit is requested, unless the Investor's Bankers verify the Bank mandate of the Investor in the SIP application form.

This facility is applicable for all schemes except Kotak Liquid Institutional Plan & Kotak Liquid Institutional Premium Plan.

The load structure applicable for each instalment will be as per the load structure applicable at the time of registration of SIP. Changes in load structure effected by the AMC after that date may not be applicable unless stated specifically.

e) Systematic Withdrawal Plan (SWP)

This facility enables the Unitholders to withdraw sums from their Unit accounts in the Scheme at periodic intervals through a one-time request. The withdrawals can be made either Monthly (on 1st, 7th, 14th and 21st of every month) or Quarterly (on 1st, 7th, 14th and 21st of the last month in a series of three consecutive months).

This facility is available in two options to the Unitholders:

Fixed Option: Under this option, the Unitholder can seek redemption of a fixed amount of not less than Rs. 1000 from his Unit account. In this option the withdrawals will commence from the Start Date (being one of the dates indicated above) mentioned by the Unitholder in the Application Form for the facility. The Units will be redeemed at the Applicable NAV of the respective dates on which such withdrawals are sought. The Fixed Option is explained by way of an illustration below:

Amount invested	1,00,000
SWP Start Date	01-Oct-06
SWP Frequency	Monthly

FIXED OPTION

Date	Amount Invested (Rs.)	Amount Withdrawn under SWP (Rs.)	Assumed NAV per unit (Rs.)	Units	Unit Balance	Value after SWP (Rs.)
	A	B	C	D	E	F
				B / C	Previous E - D	E x C
01-Oct-06	1,00,000	-	10.0000	-	10,000.000	1,00,000
01-Nov-06	-	1,000	10.1201	98.813	9,901.187	1,00,201
01-Dec-06	-	1,000	10.2111	97.933	9,803.254	1,00,102
01-Jan-07	-	1,000	10.3502	96.616	9,706.638	1,00,466
01-Feb-07	-	1,000	10.4321	95.858	9,610.780	1,00,261
01-Mar-07	-	1,000	10.5301	94.966	9,515.814	1,00,203
01-Apr-07	-	1,000	10.6203	94.159	9,421.654	1,00,061
01-May-07	-	1,000	10.7291	93.204	9,328.450	1,00,086
01-Jun-07	-	1,000	10.8202	92.420	9,236.030	99,936
01-Jul-07	-	1,000	10.9371	91.432	9,144.598	1,00,015
01-Aug-07	-	1,000	11.0918	90.157	9,054.442	1,00,430
01-Sept-07	-	1,000	11.1329	89.824	8,964.618	99,802
01-Oct-07	-	1,000	11.2571	88.833	8,875.785	99,916
01-Nov-07	-	1,000	11.3987	87.729	8,788.056	1,00,172

Appreciation Option: Under this option, the Unitholder can seek redemption of an amount equal to a periodic appreciation on the investment.

The Unitholder redeems only such number of Units, which when multiplied by the Applicable NAV is, in amount terms equal to the appreciation in his investment over the last month / quarter.

The investor would need to indicate in his systematic withdrawal request, the commencement / start date from which the appreciation in investment value should be computed. The withdrawal will commence after one month/quarter (as requested by the investor) from the commencement / start date mentioned by the Unitholder in the Application Form and can, at the investor's discretion be

on 1st, 7th, 14th or 21st of the month / quarter.

The Units will be redeemed at the Applicable NAV of the respective dates on which such withdrawals are sought. In case the investor purchases additional Units, the withdrawal amount would include the appreciation generated on such Units as well. In the absence of any appreciation, the redemption under this option will not be made.

The Appreciation Option is explained by way of an illustration below:

Amount invested	1,00,000
SWP Start Date	01-Aug-06

Appreciation Option

Date	Amount Invested (Rs.)	Amount Withdrawn other than SWP (Rs.)	Assumed NAV per unit (Rs.)	Units transacted other than SWP	Unit balance before SWP	Value before SWP (Rs.)	Amount withdrawn under SWP (Rs.)	SWP Transaction Units	Unit Balance after SWP	Value after SWP (Rs.)
	A	B	C	D	E	F	G	H	I	J
				(A or B)/C	I + D	C x E	(Previous C - Current C) x E	G/C	E-H	I x C
01 Aug 06	1,00,000	-	10	10,000.00	10,000.00	1,00,000	-	-	10,000.00	1,00,000
10 Sept 06	20,000	-	10.1023	1,979.75	11,979.75	1,21,023	-	-	11,979.75	1,21,023
01 Oct 06	-	-	10.1201	-	11,979.75	1,21,236	1,236	122.157	11,857.59	1,20,000
20 Nov 07	-	10,000	10.1786	982.453	10,875.14	1,10,694	-	-	10,875.14	1,10,694
01 Dec 07	-	-	10.2111	-	10,875.14	1,11,047	990	96.918	10,778.22	1,10,058
01 Jan 07	-	-	10.3502	-	10,778.22	1,11,557	1,499	144.85	10,633.37	1,10,058
01 Feb 07	-	-	10.4321	-	10,633.37	1,10,928	871	83.48	10,549.89	1,10,058
01 Mar 07	-	-	10.5301	-	10,549.89	1,11,091	1,034	98.184	10,451.70	1,10,058
01 Apr 07	-	-	10.6203	-	10,451.70	1,11,000	943	88.768	10,362.94	1,10,058
01 May 07	-	-	10.7291	-	10,362.94	1,11,185	1,127	105.087	10,257.85	1,10,058
01 Jun 07	-	-	10.8202	-	10,257.85	1,10,992	934	86.365	10,171.48	1,10,058
01 Jul 07	-	-	10.9371	-	10,171.48	1,11,247	1,189	108.717	10,062.77	1,10,058
01 Aug 07	-	-	11.0918	-	10,062.77	1,11,614	1,557	140.348	9,922.42	1,10,058
01 Sept 07	-	-	11.1329	-	9,922.42	1,10,465	408	36.631	9,885.79	1,10,058
01 Oct 07	-	-	11.2571	-	9,885.79	1,11,285	1,228	109.07	9,776.72	1,10,058
01 Nov 07	-	-	11.3987	-	9,776.72	1,11,442	1,384	121.451	9,655.27	1,10,058

Figures in amount are rounded off.

The provision of minimum redemption amount will not be applicable for redemptions made under this facility.

However, this facility is also not available for purchase of Units under Kotak Liquid Institutional Plan, and Kotak Liquid Institutional Premium Plan.

In case of Kotak Gilt Investment Provident Fund and Trust Plan, SWP can be availed only during the liquidity window of the respective month or quarter.

f) Systematic Transfer Plan (STP)

This facility enables the Unitholders to switch an amount from their existing investments in a Scheme/Plan/Option to another Scheme/Plan/Option of the Fund, which is available for investment at that time, at periodic intervals through a one-time request. The switch can be made weekly, monthly or quarterly. Under this facility the switch by the Unitholders should be within the same account/ folio number. This facility offers two options to the Unitholders:

Fixed Option: Under this option, the Unitholder can switch fixed amount of not less than Rs. 1000/- from his Unit

account. In this option the switch will commence from the Start Date mentioned by the Unitholder in the application form for the facility. The Units in the Scheme/Plan/Option from which the switch - out is sought will be redeemed at the Applicable NAV of the Scheme/Plan/Option on the respective dates on which such switches are sought and the new Units in the Scheme/Plan/Option to which the switch - in is sought will be created at the Applicable NAV of such Scheme/Plan/Option on the respective dates.

Please refer to the table under SWP for the illustration of Fixed Option. For this facility, the amount shown as amount withdrawn under SWP in the Fixed Option table referred above will be the amount switched.

Appreciation Option: Under this option, the Unitholder can seek switch of an amount equal to the periodic appreciation on the investment.

Under this option the Unit holder switches only proportionate number of Units, which when multiplied by the applicable NAV is, in amount terms equal to the appreciation in the investment over the last month/quarter.

The investor has to mention a "Start Date". The first switch will happen after one month/quarter from the start date. In case the investor purchases additional Units, the amount to be switched would be equal to the appreciation generated on such Units. In the absence of any appreciation as mentioned above, the switch under this option will not be made. The Units in the Scheme/Plan/Option from which the switch - out is sought will be redeemed at the Applicable NAV of the Scheme/Plan/Option on the respective dates on which such switches are sought and the new Units in the Scheme/Plan/Option to which the switch - in is sought will be allotted at the Applicable NAV of such Scheme/Plan/Option on the respective dates.

Please refer to the table under SWP for the illustration of Appreciation Option. For this facility, the amount shown as amount withdrawn under SWP in the Appreciation option table referred above will be the amount switched.

However, this facility is also not available for purchase of Units under Kotak Liquid Institutional Plan and Kotak Liquid Institutional Premium Plan.

Note: Investors who avail of the SIP, SWP or STP facility can at any time opt out of the facilities or can purchase, redeem or switch outside these facilities at their convenience. However, for opting out of the SIP facility, an investor has to submit his request for cease/ cancellation of SIP atleast 28 days prior to next instalment.

g) Star Kid Facility under Kotak Mahindra 30 Unit Scheme ('Kotak 30')

Facility Objective:

The Facility is suitable for investors who intend to build an education fund for their child/children. The facility helps an investor to build the education fund through monthly Systematic Investment Plan (SIP) and will be known as "Star Kid – Kotak 30". Unit holder under this scheme can save systematically by participating in this scheme and build a fund that can help unit holder to finance child's education needs. The benefit of financing child's education is assured under this scheme even in case of demise of the (First) Unit holder as, in addition to the investments with accrued returns, a lump sum amount equal to the cumulative SIP installments remaining to be paid till maturity of the facility (i.e. till the First Unit holder reaches 55 years of age or completion of selected period), from the date of death of the (First) unit Holder, will be paid to the nominee through an insurance arrangement* under this insurance benefit facility (will be referred to as "insurance benefit" hereafter in this document).

The installments received under this facility are invested in Kotak 30 and attract all terms and amendments to terms of issue of Kotak 30.

*Subject to terms & conditions as stated in this document/ application form.

a) Facility Details, Terms & Conditions

1. The Facility allows investors to build a long-term investment portfolio for Child's future needs, through monthly installments. The minimum amount is Rs 1000 per month/installment. There is no maximum limit on the amount per installment.
2. Though there are no specific eligibility criteria for investing in this Facility, the "insurance benefit" is available only for unit holders who are not more than the age of 45 years at the time of opting for this facility. Non-individuals as well as Non-resident Indians / Persons of Indian Origin will not be eligible to apply for this facility.
3. Investments under this facility will be allowed only through monthly installments under Star Kid – Kotak

30. The first Installment may be paid on any date of the month on which a NAV is declared in the scheme. In respect of the second and subsequent installments, unit holders can choose any date from 1st, 7th, 14th, or 21st as the SIP Date, subject however, to the condition that there shall be a minimum gap of 28 days between the first and the second SIP. As the unit holder saves and invests periodically over a longer period of time, it affords the unit holder an opportunity to enter the market regularly, thus averaging the cost of acquiring Units.

4. The applicant may opt either 5, 10, 15 or 20 years as tenure for Star Kid - Kotak 30 facility. The applicant may select the term of the SIP depending on his age as on last birthday as per the table below. The payments can be made either by issue of Post Dated Cheques or by availing the Direct Debit Facility through ECS (available in 46 locations only at present). However, the first installment shall be paid compulsorily by a cheque drawn on the account from which the Direct Debit Facility will be availed.

AGE (in years)	TENURE, OPTIONS AVAILABLE (in years)
23 – 30	5, 10, 15, 20
31 – 35	5, 10, 15
36 – 40	5, 10
41 – 45	5
Above 45	Not eligible

b) Insurance Benefit (Terms and conditions)

1. KMAMC will provide a Group Insurance Cover only to Resident Individual applicants. Non-individuals as well as Non-resident Indians / Persons of Indian Origin will not be covered under the insurance cover.
2. The First Unit holder should be the person whose life is to be insured. For instance, if Father is the person whose life needs to be insured, then he should fill up the form as first holder, (if the account is a joint account) or as the sole unit holder. The insurance benefit will be extended only to the first holder or sole holder of the account.
3. The first unit holder shall nominate his/her child for the insurance benefit under this facility.
4. The investor will necessarily be required to furnish nominee details in the application form, in absence of which, "insurance benefit" will not be extended under this facility. The nominee has to necessarily be a child of the first investor/ sole investor.
5. The nominee will be entitled to "insurance benefit" in case of demise of the life insured i.e. the (First) Unit holder before the completion of selected period of SIP's.
6. In case the Unit Holder fails to honour SIP payments for two consecutive months at any point of time during the life of SIP, the "Insurance benefit" and SIP may stand discontinued. Renewal of the Facility shall be at the sole discretion of and subject to terms and conditions as may be imposed by KMAMC. The Investments under the Facility till such date can be withdrawn subject to the applicable exit load.
7. The investor will be required to sign a "Good Health" declaration and/or undergo medicals depending on the age and/or the quantum of sum assured (defined in point 8) prior to subscribing to the units under this Facility or at the time of switch in. In case the first unit holder needs to undergo medical checkup as suggested by Insurance company, the benefit commences after the clearance from the medical test.

8. The "insurance benefit" is as defined below: -
- a. In case of death (other than suicide) of the first unit holder before completion of 1 year (but after 30 days) from the date of first installment or commencement of insurance cover whichever is later, the benefit shall be 10 times the monthly SIP. The insurer shall pay such amount to the nominee of the life insured (through KMAMC). On insurance company so releasing the insurance claim, it will stand discharged of its obligations under the insurance arrangement.
 - b. In case of death of the first unit holder after completion of 1 year from the date of first installment or commencement of insurance cover, the insurance benefit shall be an amount equal to the cumulative future SIP commitments payable for such number of years as would have remained for the First Unit Holder to complete the term option selected i.e either 5, 10, 15 or 20 years. The claim amount under the insurance cover shall be released in favour of the Insurance benefit nominee (through KMAMC). On insurance company so releasing the insurance claim, it will stand discharged of its obligations under the insurance arrangement.
9. The Sum Assured for the purpose of determining if the unit holder has to undergo medical examination or just sign good health declaration is equal to the cumulative monthly SIP commitments payable from the 13th month from first investment under this plan till such number of years as would have remained for the First Unit Holder to complete the term option selected i.e. either 5, 10, 15 or 20 years.
- Eg. – For a 35 years old investor who invests Rs 10,000 per month for a 5 year term option under this plan, Sum Assured will be 48 months (number of months remaining to complete 5 years term option from 13th month i.e. 48 months) * Rs 10,000 = Rs 4,80,000
10. The life to be insured or the first unit holder will have to undergo medical examination and submit financial documents as called for by the Life insurance company if the Sum Assured as defined above exceeds Rs 10 lakhs for an individual (first /sole Unitholder) either under a single folio or on aggregation of folios. The medical examination has to be done with a medical practitioner empanelled by the insurance company, which will be at no cost to the investor. The insurance company will coordinate with the investor, helping him to get the medical examination done. The basic financial documents to be submitted in such case are Income Tax Return, Salary Statement or P&L & Balance Sheet in case source of income is from business (for example: for sole proprietors). All these documents should be for last 3 years. The insurance company can call for additional documents on a case-to-case basis. The insurance company would underwrite the medical test reports and financial documents and a decision on offering cover to the customer would be taken.
 11. Since the application is taken in good faith, the claim of the nominee(s) where the deceased Unit holder for any reason doesn't disclose participation in another SIP's with insurance; where by which the total cover of the unit holder under this facility goes beyond the "no medical examination" level as stated in rule 10 above, his nominees will be serviced in the FIFO basis i.e. the first nominee SIP that has commenced first will be paid in full and the nominees in the subsequent SIPs will not be paid at all any insurance benefit.
- For Eg. – A unit holder has taken 3 SIP's for three children under this facility each for Rs. 10,000. If "No medicals" level under the insurance rules is Rs 15,000 SIP, in case of death of the unit holder, the child nominated in the application for Star Kid - Kotak 30 which was registered first (chronologically) will get "insurance benefit" and the others will not receive the benefit.
12. The Sum Assured will not exceed Rs 1 crore in any case i.e., the maximum insurance benefit under this scheme will be limited to Rs. one Crore. In case the applicants monthly SIP and term is such that the Sum Assured exceeds Rs 1 crore, then he/she will be covered for only Rs 1 crore and not above that. However, the unitholder will be given refund at, the applicable NAV of the units purchased out of the total amount of Star Kid - Kotak 30 SIP at the end of the selected period of tenure, if opted for redemption.
 13. Any limits in respect of insurance cover shall apply per individual life irrespective of the number of folios/SIPs linked to such individual life. Lets say Non-medical limit is Rs 10 lakhs and as on 1/1/07 Mr. A is covered for 8 Lakhs and at that point he decides to apply for one more SIP where the cover would be Rs. 5 Lakhs and misses to intimate details of existing folio and hence does not go for the medical examination. In such case the second SIP is not covered at all. In the same case if the Sum Assured for second SIP had been not more than Rs. 2 Lakhs, it would get covered.
 14. The group insurance premium under this scheme will be borne by KMAMC.
 15. In case of death of the nominee while the unit holder is alive, the "insurance benefit" continue as per the initial arrangement. In such case the unit holder/s should communicate the details of the new nominee. However such nominee shall be an eligible child of the unit holder. The benefits will be in favour of new nominee or legal heirs in case new nomination is not filed. The change of nominee can be done any number of times.
 16. The relatives or dependants of the First Unit Holder should promptly, but not later than two months, notify KMAMC of death of the First Unit Holder, to enable KMAMC to inform the insurer of the same. On acceptance of the death claim on the life of such First Unit Holder, the insurer shall release the benefits in favour of KMAMC as detailed above.
 17. All insurance claims will be settled in India and shall be payable in Indian Rupees only. Settlement procedure will be as stipulated by the Insurance Company.
 18. This insurance cover from the Insurance Company (with whom KMAMC will tie up) is being brought to the unit holder under this Facility/Scheme by KMAMC on a best effort basis. KMAMC will not be responsible or liable for maintaining service levels and/or any delay in processing claims arising out of this facility by the insurance company.
 19. KMAMC, Trustees, or their Directors, officers or employees shall not be liable for any claims (including but not limited to rejection of any claim, non settlement, delays etc.) arising out of the insurance cover provided to the unit holder.
 20. KMAMC offers the insurance cover to the unit holders under this Facility as an additional facility and is not acting as an agent for marketing/sales of insurance policies.
 21. The Group Insurance cover will be subject to the following exclusions and the insurance certificate governing the cover may prescribe such other terms and conditions as may be deemed fit by the insurer and are acceptable to KMAMC:

- a. No insurance cover for first 30 days from the date of allotment of units/Commencement of insurance cover.
- b. Any claim, arising as a result of a unitholder [under the referred policy] committing suicide within one year of commencement of his/her cover, will be disallowed. Further where any unit holder commits suicide within a year of any increase in his/her cover, the portion of cover equal to such increase will be disallowed.
- c. No claim arising from the death of a unit holder due to any cause other than an accident within 3 months from the date of his / her commencement of cover herein stated shall be payable; in such cases the premium would be refunded.

Claim Settlement process

1. All claims must be notified to the Insurer in writing within 3 months of the date of the death of the unit holder along with the Original Certificate of Insurance [that would be issued to the unit holder] and documents as specified in the Policy Document. The following are the documents prescribed in the Policy Document: -
 - a. Original death certificate issued by the Municipality or other Competent Authority.
 - b. Age proof of the unitholder.
 - c. Last attending doctor's certificate stating the exact cause of death.
 - d. If death has occurred in a hospital, all case history papers.
 - e. If the death is due to an accident or any other unnatural cause:-
 - A certified copy of the FIR filed with the Police authorities.
 - A certified copy of the Post Mortem Report/ Autopsy Report.
 - A certified copy of the Driving License if death occurred while driving.
2. The claim shall be lodged together with documentation requirements as mentioned in the Insurance policy contract and / or prescribed by the Insurer for processing of the claim with KMAMC, who in turn will inform the Insured.
3. The nominee shall furnish any additional information/ documentation called for by the Insurance Company to satisfy itself as to the validity of a claim.
4. All claim amounts due under this policy are payable in Indian Currency to KMAMC at the office of the Insurance Company situated at Mumbai, but the Insurance Company at its absolute discretion may fix an alternative place of payment for the claim at any time before or after the claim arises.
5. KMAMC in turn makes the payment to the nominee after receipt of the "insurance benefit" amount from the insurance company.

C) Risks specific to the Star Kid - Kotak 30 Facility

- If the returns on Kotak 30 are in the negative, the fund receivable at the cessation of the Facility (either on account of death or completion of SIP period) may be less than principal invested (sum total of all installments paid under the scheme) by the unit holder and/or sum assured. For example, if applicable NAV on the date of cessation is less than NAV at which investments were made, the redemption value of the units will be less than the original investment and as the sum assured payable is equal to residual SIP amount, the total

amount receivable will be less than the sum assured.

- In case of 2 consecutive cheques bounce or default in ECS clearing due to any reason the "Insurance benefit" may stand withdrawn, whether or not the investment continues in the Facility after that.
- If the unit holder is denied insurance under medical grounds, the report of which comes after the cheque or DD has been banked and units allotted under Kotak 30, such investments will and will not be eligible for insurance benefit.

Load Structure:

Entry Load	■ 3.25% for any investment
Exit Load	■ 2.00%, for redemption within the first 2 years from the date of allotment
	■ 1.00%, for redemption after completion of 2 years from allotment and till the next 3 years.
	■ Nil, for any redemption after the completion of the term chosen.

h) Switching

Unitholders of any of the Schemes of the Fund have the option of switching all or part of their investment in a Scheme / Plan / Option to another Scheme / Plan / Option which is available for investment at that time.

A switch has the effect of redemption from one Scheme/ Plan/Option and a purchase in the other Scheme/Plan/Option to which the switching has been done and all the terms and conditions pertaining to redemption and purchase of the Units of the respective schemes shall apply to a switch, unless otherwise specified. No entry/ exit load will be charged for switching between plan/ option of the same scheme. The switch should be made by redeeming existing Units and reinvesting the redemption proceeds in another Scheme/ Plan/Option at the applicable Redemption price and Purchase price respectively for the Scheme(s)/Plan(s)/Option(s).

How to Switch

The request for a switch can be either in terms of amount or in terms of the number of Units. Instructions for switching may be provided by completing a Switch Request form, which would be available at any of the Official Acceptance Points or at the office of the Registrar at Chennai. The duly completed form must be submitted at any of the Official Acceptance Points or at the office of the Registrar at Chennai, on any Working Day. Incomplete switch requests are liable to be rejected.

Switch out results into redeeming Units from the Scheme(s) at the redemption price applicable at the Cut Off time (refer sub - paragraph 'Applicable NAV' under paragraph 'Units on Offer' in this Chapter) by which the Switch request is received.

i) Direct Debit Facility in SIP through ECS

Unitholders investing under SIP in any Scheme of Kotak Mahindra Mutual Fund have the option to avail the facility of Direct Debit through Electronic Clearing Service (ECS Facility offered by RBI). Direct Debit allows an investor to instruct his bank to debit his bank account at periodic intervals for making investments in mutual fund scheme(s). However the first investment in SIP under this mode shall be by way of cheque only. Investors who are currently availing the SIP Facility by issue of post-dated cheques can opt to avail the Auto Debit Facility by giving a written request for the same in the 'SIP through Auto-Debit' Form at least 15 days before the currently running SIP date. If the Auto-Debit SIP is to be effected from a different bank account than the one from which the post-dated Cheques have been issued,

the first auto-debit SIP would need to be done by issuance of a cheque from the new Bank. Investors can choose between 1st, 7th, 14th and 21st of every month / quarter for the SIP with the first SIP through cheque being allowed for any date of the month subject however to the condition that there is a gap of at least 28 days between the first and the subsequent SIPs. This facility is available in select locations indicated on the reverse of the SIP through Auto-Debit Form.

The load structure applicable for each instalment will be as per the load structure applicable at the time of registration of SIP. Changes in the load structure effected by the AMC after that date may not be applicable unless stated specifically.

j) Transaction through electronic mode

The AMC may from time to time offer various facilities to the unitholders through electronic mode such as internet, mobile phones, Kiosk, etc. to facilitate transactions in units of the scheme. The AMC may enter into such arrangements/agreements as it may deem fit to give effect to the above.

However, investors intending to take benefit of these facilities should note that they should use these services at their own risk. The Fund, the AMC, the Trustee, along with its directors, employees and representatives shall not be liable for any damages or injuries arising out of or in connection with the use of internet, mobile phones, Kiosk, etc or its non-use including, without limitation, non-availability or failure of performance, loss or corruption of data, loss of or damage to property (including profit and goodwill), work stoppage, computer failure or malfunctioning, or interruption of business; error, omission, interruption, deletion, defect, delay in operation or transmission, computer virus, communication line failure, unauthorised access or use of information.

B. PURCHASE OF UNITS

1. Who can invest?

The following are eligible to apply for purchase of the Units:

- Resident Indian Adult Individuals, either singly or jointly (not exceeding three).
- Parents/Lawful guardians on behalf of Minors.
- Companies, corporate bodies, registered in India including insurance companies.
- Public sector undertakings, public/Statutory corporations subject to general or specific permissions granted to them by the Central/State governments from time to time.
- Registered Societies and Co-operative Societies authorised to invest in such Units.
- Religious and Charitable Trusts under the provisions of 11(5) of the Income Tax Act, 1961 read with Rule 17C of the Income Tax Rules, 1962.
- Trustees of private trusts authorised to invest in mutual fund schemes under their trust deeds.
- Partner(s) of Partnership Firms.
- Association of Persons or Body of Individuals, whether incorporated or not.
- Hindu Undivided Families (HUFs).
- Banks (including Co-operative Banks and Regional Rural Banks) and Financial Institutions and Investment Institutions.
- Non-Resident Indians/Persons of Indian origin resident abroad (NRIs) on full repatriation or non-repatriation basis.
- Other Mutual Funds registered with SEBI.
- Foreign Institutional Investors (FIIs) or sub-accounts of FII's registered with SEBI.

- International Multilateral Agencies approved by the Government of India.
- Army/Navy/Air Force, Para-Military Units and other eligible institutions.
- Scientific and Industrial Research Organizations.
- Provident/Pension/Gratuity and such other Funds as and when permitted to invest.
- Universities and Educational Institutions.

Other schemes of Kotak Mahindra Mutual Fund may, subject to the conditions and limits prescribed in the SEBI Regulations and/or by the Trustee, AMC or Sponsor, subscribe to the Units under the Scheme.

In case of Kotak Gilt Investment - Provident and Trust Plan the following are the eligible investors:

- All Provident Funds
- Religious and Charitable Trusts
- Trustees of private trusts authorised to invest in mutual fund Schemes under their trust deeds
- Superannuation, Pension, Welfare and Gratuity Funds

The list given above is indicative and the applicable law, if any, shall supercede the list.

2. Purchase Price

The Purchase Price is calculated on the basis of the applicable NAV and entry loads for different Schemes/Plans/Options. It is calculated in the following way:

$$\text{Purchase Price} = \text{Applicable NAV} \times (1 + \text{Entry Load})^*$$

eg: If the Applicable NAV is Rs. 10/-; entry load is 2%, then

$$\begin{aligned} \text{Purchase price} &= 10 \times (1+2\%) \\ &= \text{Rs. } 10.20/- \end{aligned}$$

* For Entry Load, please refer paragraph "Load Structure of the Schemes" in this offer document.

\$ For Applicable NAV, please refer paragraph 'Applicable NAV' in this offer document.

3. Mode of Payment

Resident Investors

Resident investors may make payment for the Units by any of the following means:

- By local MICR Cheques payable in the city in which the application form is submitted.
- By a Demand Draft payable in the city in which the application form is submitted and drawn on a bank which is a member of the Bankers Clearing House of that city. The cost of the DD will be borne by the AMC.
- In any other manner that may be, from time to time, accepted by the AMC for the smooth and efficient functioning of the Scheme

PLEASE NOTE THAT THE FOLLOWING ARE NOT ACCEPTED

- Outstation Cheques
- Post Dated Cheques

All cheques and drafts should be crossed "**Account Payee Only**" and made out in favour of the Scheme / Plan name.

NRIs

Repatriation Basis

RBI has granted a general permission to Mutual Funds, which

are referred to in clause (23D) of Section 10 of the Income Tax Act, 1961, to issue and repurchase Units of the Scheme that are approved by SEBI, to NRIs. Further general permission has also been granted to send such Units to NRIs at their places of residence or location as the case may be. NRI applications on a repatriation basis will be accepted, if the amount representing the investment is received by inward remittance through normal banking channels or by debit to NRE/FCNR account of the non-resident investor maintained with an authorised dealer in India. NRI investors investing through NRE/FCNR accounts or by inward remittance through approved banking channels need to furnish an account, debit certification or an FIRC from the bank from which the inward remittance is sought.

Non-Repatriation Basis

In the case of NRIs/Persons of Indian Origin seeking to apply for Units on a non-repatriation basis, the applications will be accepted, if the amount representing the investment is received by inward remittance through normal banking channels or by debit to the NRE/FCNR/NRO account of the non-resident investor maintained with an authorised dealer in India.

Payment whether on a repatriation or a non-repatriation basis, shall be made by Cheques/Demand Drafts crossed **“Account Payee Only”**, in a similar fashion as in the case of resident investors.

■ FIs or sub-accounts of FII's

RBI has granted a general permission to Mutual Funds, which are referred to in clause (23D) of Section 10 of the Income Tax Act, 1961, to issue and repurchase Units of the Scheme that are approved by SEBI to and from FIs. Further a general permission has also been granted to send such Units / instruments out of India to their global custodians. Applications of FIs on a repatriation basis will be accepted if the amount representing the investment is received by inward remittance through normal banking channels or out of funds held in Foreign Currency Account or Non-resident Rupee Account maintained by the FIs with a designated branch of an authorised dealer with the approval of RBI.

■ Applicants under Power of Attorney, Companies / Corporate Bodies / Registered Societies/ Trusts/ Partnerships

In the case of an application under a Power of Attorney or by a limited company, body corporate, registered society, trust or partnership, the relevant Power of Attorney or the relevant resolution or authority to make the application or the Trust Deed or the Partnership Deed as the case may be, or duly certified copy thereof, along with a certified copy of the Memorandum and Articles of Association and/or bye-laws must be lodged at the office of the Registrar at Chennai, within 7 (Seven) days from the date of the application under the New Fund or Continuous Offer, failing which the application is liable to be rejected or a request for redemption may not be processed.

Note: The Trustee, at its discretion, may alter or add other modes of payment.

4. Where to submit application forms?

Investors may submit completed application forms as under:

During the Continuous Offer

1. Investor Service Centre (ISCs) and Transaction Points (TPs) of the Registrar.
2. The office of the Registrar in Chennai at A&B, Lakshmi Bhawan, 609 Anna Salai, Chennai 600 006.
3. Official Acceptance Points of KMAMC.

The addresses of the ISCs,TPs, Registrar and Collection Banks respectively are given elsewhere in this Offer Document.

Application Forms, if sent by post, must be accompanied by Cheques or Demand Drafts payable at the place where the application is being sent, and sent to any of the places mentioned above.

As per the directives issued by SEBI it is mandatory for an investor to declare his/her bank account number. To safeguard the interest of Unitholders from loss or theft of their refund orders/redemption cheques, investors are requested to provide their bank details in the Application Form.

Any application may be accepted or rejected at the sole and absolute discretion of the Trustee.

5. Choice of Scheme/Plan/Option

For Debt Schemes

- If the applicant does not indicate the choice of the Scheme in the application form, then the Fund will accept it as an application for the Scheme favouring which the payment instrument is made.
- If the applicant does not indicate the choice of the Plan in the application form, then the Fund will accept it as an application for:

Scheme	Plans Available	Application accepted for (Plans)
Kotak Bond	Deposit, Regular	Deposit
Kotak Liquid	Regular, Institutional, Institutional Premium	Regular

- If the applicant does not indicate the choice of the Option in the application form, then the Fund will accept it as an application for the Growth Option of the concerned Scheme/Plan.
- If the applicant does not indicate the choice of the dividend frequency in the application form, then the Fund will accept it as an application for:

Scheme /Plan	Plans available	Dividend Frequency available	Application accepted for (frequency)
Kotak Gilt Savings Plan	-	Monthly and Annual	Monthly
Kotak Bond	Regular	Quarterly and Annual	Quarterly
Kotak Liquid	Institutional Plan	Daily and Weekly	Daily
Kotak Liquid	Institutional Premium Plan	Daily and Weekly	Daily
Kotak Flexi Debt	-	Daily and Quarterly	Quarterly
Kotak Floater Short Term Scheme	-	Daily, Weekly and Monthly	Daily for investment amount greater than or equal to Rs. 1 Lac and Weekly for investment amount less than Rs. 1 Lac
Kotak Income Plus	-	Monthly and Quarterly	Monthly
Kotak Floater Long Term Scheme	-	Weekly and Monthly	Weekly

- If the applicant does not indicate the choice of the dividend pay-out / re-investment in the application form, then the Fund will accept it as an application for dividend pay-out.

For Equity Schemes

If the applicant does not indicate the choice of the Option in the application form, then the Fund will accept it as an application for the Growth Option of the concerned Scheme/ Plan. However for Kotak Balance, Kotak MNC and Kotak Tech, Dividend Reinvestment Option would be the default option.

6. Joint Applicants

If an Account has more than one holder, only the first-named holder (as determined by the records of the Registrar) will receive all notices and correspondence with respect to the Account. Such Unitholder will receive the proceeds of any redemption requests or dividends or other distributions. In addition, such holder will have the voting rights, as permitted, associated with such Units.

In the case of holdings specified as 'jointly', all requests have to be signed by all the joint holders. However, in the case of holdings specified as 'any one or survivor', any one of the joint holders may sign such requests.

7. Account Statement / Unit Certificate

An Account Statement, stating the number of Units allotted, will be sent to each Unitholder within 30 (Thirty) days from the date of the closure of the New Fund Offer. The Account Statement will be non-transferable.

Non-transferable Unit Certificates will be sent, if an applicant so desires, within 30 (Thirty) days after the receipt of a request for the certificate.

Any discrepancy in the Account Statement / Unit Certificate should be brought to the notice of the Fund/AMC immediately. Contents of the Account Statement / Unit Certificate will be deemed to be correct if no error is reported within 30 days from the date of Account Statement / Unit Certificate.

Units held, either in the form of Account Statements or Unit Certificates, are non-transferable. The Trustee reserves the right to make the Units transferable at a later date subject to the Regulations issued from time to time.

All Units rank *pari passu* amongst Units within the Scheme / Option as to assets and earnings.

C. REDEMPTION OF UNITS

The Units can be redeemed at the Redemption Price (mentioned elsewhere in this Offer Document).

Units purchased by cheque may not be redeemed until after realisation of the cheque.

A Unitholder has the option to request for redemption either in amount in rupees or in number of Units. If the redemption request indicates both amount in rupees and number of Units, the latter will be considered as being requested. Where a rupee amount is specified or deemed to be specified for redemption, the number of Units redeemed will be computed as the amount redeemed divided by the Redemption Price. Alternatively, a Unitholder can request closure of his account, in which case, the entire Unit balance lying to the credit of his account will be redeemed.

The Fund reserves the right to redeem the entire amount lying to the credit of the Unitholder's account in that Scheme/ Option if the Redemption request amount exceeds the balance lying to the credit of the Unitholder's said account.

The number of Units redeemed is subtracted from the

Unitholder's account and a statement to this effect is issued to the Unitholder.

If an investor has purchased Units on more than one Working Day, the Units purchased prior in time (i.e. those Units which have been held for the longest period of time), will be deemed to have been redeemed first, i.e. on a First In First Out Basis except when the Unitholder specifically requests redemption of Units purchased on specific date(s).

1. Redemption Price

The Redemption Price calculated is explained in the following example:

Redemption Price	=	Applicable NAV\$ x (1 - Exit Load)
Eg: If Applicable NAV	=	Rs. 10/-; Exit Load = 2%, then
Redemption Price	=	10 x (1-2%)
	=	Rs. 9.80/-

\$ For Applicable NAV, please refer paragraph 'Applicable NAV' mentioned elsewhere in this Offer Document.

As required under the Regulations, the Fund ensures that the Redemption Price is not lower than 93% of the NAV and that the Purchase Price is not higher than 107% of the NAV, provided that the difference between the Redemption Price and Purchase Price of the Units shall not exceed the permissible limit of 7% of the Purchase Price.

2. How to Redeem?

Pre-printed redemption request form will be sent to the Unitholders along with the Account Statement. These forms will also be available at any of the Official Acceptance Points.

The fully completed form, can be submitted at any of the Official Acceptance Points listed in the Offer Document or can be sent to the office of the Registrar at Chennai, in person or by post.

Where the Unitholder has opted to transact through the Internet, he may redeem his units through the website of the Registrar, i.e. www.camsonline.com and/or through any other website, through which redemption may be facilitated in future.

The Unitholder may either request mailing of the redemption proceeds to his/her address or to be retained at the ISC for collection by him/her. If the Unitholder opts for the "D-Kredit" facility, he can receive the amount by a direct credit to his bank account.

3. Payment of Proceeds

Redemption proceeds will be paid by cheques, marked "**Account Payee only**" and drawn in the name of the sole holder/first-named holder (as determined by the records of the Registrar). The Bank Name and No, as specified in the Registrar's records, will be mentioned in the cheque, which will be payable at par at all the cities designated by the Fund from time to time. **If the Unitholder resides in any other city, he will be paid by a Demand Draft payable at the city of his residence.**

Redemption cheques will generally be sent to the Unitholder's address, (or, if there is more than one joint holder, the address of the first-named holder) as per the Registrar's records, by courier within 3 Working Days from the day when the valid request is accepted at the Official Acceptance Points, but in any case, not later than 10 Working Days from the date of redemption. If the Mutual Fund fails to send the redemption cheques after the said 10 Working days, interest at the rate of 15% p.a. will be paid to the applicant and borne by the AMC for the period from the day following the date of expiry of the said 10 Working days until the actual date of the refund. (Please refer to paragraph 'Applicable NAV' as mentioned elsewhere in this Offer Document for cut-off times for receiving the redemption request).

Redemption proceeds may also be paid to the Unitholder in any other manner that the Unitholder may request or the Trustee may, from time to time, decide, for the smooth and efficient functioning of the Scheme.

4. Redemption by NRIs/FIIs

Redemption proceeds in respect of NRI investors may be

- Credited at the NRI investor's option, to his NRO account, where the payment for the purchase of the Units sold was made out of funds held in NRO account, or
- Remitted abroad or at the NRI investor's option, credited to his NRE/FCNR/NRO account, where the Units were purchased on repatriation basis and the payment for purchase of the Units sold was made by inward remittance through normal banking channels or out of the funds held in NRE/FCNR account.

In case of an FII, the designated branch of an authorised dealer may allow remittance of net redemption proceeds (after payment of taxes) or the same may be credited to its Non Resident Rupee Account or the Foreign Currency Account.

5. Effect of Redemptions

a) On the Fund

After every redemption, the Unit capital and Reserves of the relevant Scheme stand reduced by an amount equivalent to the product of the number of Units redeemed and the Applicable NAV as on the date of redemption. Units once redeemed are extinguished and cannot be re-issued.

b) On the Unit holder's account

The balances in the Unit holder's account stand reduced by the number of Units redeemed. The following table illustrates a typical redemption case, as an example.

Calculation of Redeemed Units explained:	If Exit Load of 1% is chargeable
Unit Balance before Redemption	2305.235
NAV on date of redemption	Rs. 10.412
Exit Load Chargeable	Rs. 0.104 (10.412 x 1%)
Securities Transaction Tax Payable (STT)	Rs. 0.015
If Redemption request is in Rs.	Rs. 3500
Redemption price	Rs. 10.308 (10.412 - 0.104)
Redemption request (Gross of STT) (STT round off to the nearest rupee)	Rs. 3505 [(3500 + (3500 x 0.15%)]
No. of Units redeemed	340.027 (3505 ÷ 10.308)
No. of Units left	1965.208 (2305.235 - 340.027)
If Redemption request is in units	350 Units
Redemption amount will be	Rs. 3607.80 (350 x 10.308)
Amount receivable after STT (STT round off to nearest rupee)	Rs. 3602.80 [(3607.80 - (0.015 x 350)]
No. of Units left	1955.235 (2305.235 - 350)

Note: Situation, load and NAV figures are hypothetical and assumed for the sole purpose of the illustration.

6. Right to Limit Redemption

The Board of Directors of the Trustee and the AMC may, in the general interest of the Unitholders of the Scheme offered under this Offer Document and keeping in view the unforeseen circumstances/unusual market conditions, limit the total number of Units which may be redeemed on any Working Day to 5% of the total number of Units then issued and outstanding under the Scheme or to such other percentage as the said Boards may determine. In such a case, the approval of both the Boards, giving details of circumstances and justification for the proposed action shall be informed to SEBI in advance.

Any Units, which, by virtue of these limitations, are not redeemed on a particular Day, are carried forward for redemption to the next Day for which NAV is declared, in the order in which the requests for redemption were received. Redemptions so carried forward are priced on the basis of the Redemption Price of the Day on which redemption is made. Under such circumstances, to the extent multiple redemption requests are received at the same time on a single Working Day, redemptions will be made on pro-rata basis, based on the size of each redemption request, the balance amount being carried forward for redemption to the next Day(s) for which NAV is declared. The cheques for the balance redemption amount will be paid out in due course.

7. Suspension of Redemption of Units

The redemption of Units may be suspended temporarily or indefinitely when any of the following conditions exist:

- The stock markets stop functioning or trading is restricted;
- Extreme volatility occurs in the stock markets / money market / debenture/bond market / foreign exchange market, which, in the opinion of the Investment Manager, is prejudicial or to the disadvantage to the interests of the investors;
- There is a natural calamity, civil strife, complete breakdown of law and order, war, act of God or force majeure; and or
- SEBI, by order, so directs.

In case of suspension of redemption, the approval of the Boards of Directors of the Trustee and the AMC, giving details of circumstances and justification for the proposed action shall be informed to SEBI in advance.

8. Unclaimed Redemption and Dividend Amount

As per circular no. MFD/CIR/9/120/2000, dated November 24, 2000 issued by SEBI, the unclaimed redemption and dividend amounts shall be deployed by the Fund in call money market or money market instruments only. The investment management fee charged by the AMC for managing such unclaimed amounts shall not exceed 50 basis points. The circular also specifies that investors who claim these amounts during a period of three years from the due date shall be paid at the prevailing Net Asset Value. Thus, after a period of three years, this amount can be transferred to a pool account and the investors can claim the said amounts at the NAV prevailing at the end of the third year.

In terms of the circular, the onus is on the AMC to make a continuous effort to remind investors through letters to take their unclaimed amounts.

The information on amount unclaimed and number of such investors for each Scheme shall be disclosed in the annual report sent to the Unitholders.

The AMC will invest the unclaimed redemption/dividend amounts under the Scheme in bank fixed deposits. In case of a request from the investor claiming the unpaid redemption/dividend amounts due to him; the investor will be paid the same along with the interest on such investment. Also the investors will be reminded through periodic communications to claim their unclaimed amounts. The AMC may charge fees for managing these unclaimed redemption/dividend amounts as permitted under the Regulations.

D. RIGHT TO PUT (Only for Kotak Gilt Investment - Provident Fund and Trust Plan)

In Kotak Gilt Investment - Provident Fund and Trust Plan investors have a right to put or switch-out, part or all of their holdings on any working day.

The Trustees will have the right to alter the duration as well as the dates of the liquidity window at any time.

How to Put

Pre-printed put request forms will be sent to the Unitholders along with the Account Statement. These forms will also be available at any of the Investor Service Centres and at the office of the Registrar at Chennai.

The fully completed forms, can be submitted at any of the Investor Service Centres listed in the Offer Document or can be sent to the office of the Registrar at Chennai, in person or by post.

The Unitholder may either request mailing of the proceeds of the put to his/her address or to be retained at the ISC for collection by him/her. If the Unitholder opts for the "D-Kredit" facility, he can receive the amount by a direct credit to his bank account. Additional banks with whom AMC may tie up shall be deemed to be acceptable to the investor and no fresh consent shall be sought.

Maturity Date

At the time of investment, Unitholders in the Kotak Gilt Investment Provident Fund and Trust Plan will have an option to specify maturity date(s) against each of their investment(s). Unitholders cannot at a later date alter the maturity date(s). The Unitholder can specify a single or multiple maturity date(s) for every investment made by him.

In an application if a maturity date is not specified by the Unitholder, the same will be considered to be an investment with no maturity date and the Unitholder can disinvest such Units only through the Right to Put.

In case the maturity date as specified by the Unitholder, is a non-working day, the immediately succeeding Working Day will be considered as a maturity date.

Maturity of investments can be specified only for Units and not for amounts.

In the case of reinvestment of dividend, the same will be made without a maturity date. Unitholders, however, will have an option to specify a maturity date for such reinvested Units within one month of the dividend reinvestment.

Note: The Unitholders under the Kotak Gilt Investment Provident Fund and Trust Plan will not be able to avail of the redemption facility. However, all other provisions as applicable to Redemption of Units under the Kotak Gilt Investment Regular Plan will be applicable to Units put / matured.

VI. LOADS AND RECURRING EXPENSES

A. LOAD STRUCTURE OF THE SCHEMES

Please refer to highlights for load structures for individual schemes.

The Trustee reserves the right to change the load structure of any Scheme or introduce contingent deferred sales charge (CDSC) on a prospective basis. Should the Trustee, on any date, decide to change the load structure or introduce/modify CDSC, in any of the Schemes, investments made by Unitholders prior to such date will continue to attract the loads/CDSC applicable prior to such change. Any Load or CDSC in any of the Schemes is maintained in a separate

account to meet the selling and distribution expenses of the Scheme and any excess over such expenses is credited to the Scheme, whenever felt appropriate by the AMC

B. FEES AND EXPENSES OF THE SCHEME

As per the provisions of the Regulations, as amended up to date, the following fees and expenses are applicable to the Scheme:

1. Initial Issue Expenses incurred by the Schemes

The initial issue expenses for all the schemes are summarised below:

Scheme	Allotment Date	Initial Issue Expenses	Borne by the AMC (Rs. Lakhs)	Borne by the Scheme ** (Rs. Lakhs)
Kotak FMP 14M Series 1	February 21, 2007	3.78	-	In full
Kotak FMP 15M Series 1	October 14, 2006	13.48	-	In full
Kotak FMP 15M Series 2	February 5, 2007	6.51	-	In full
Kotak FMP 16M Series 1	December 28, 2006	7.48	In full	-
Kotak Dynamic Asset Allocation Scheme	December 28, 2006	2689.76	-	In full
Kotak Flexi Fund of Funds - Series 1	April 7, 2006	1071.73	-	In full
Kotak Flexi Fund of Funds - Series 2	July 28, 2006	1382.51	-	In full
Kotak FMP Series 24	May 5, 2006	2.32	In full	-
Kotak FMP Series 26	July 12, 2006	6.24	-	In full
Kotak FMP Series 27	June 2, 2006	4.90	In full	-
Kotak FMP 3M Series 1	June 29, 2006	2.47	In full	-
Kotak FMP 3M Series 2	July 7, 2006	1.95	In full	-
Kotak FMP 3M Series 3	September 22, 2006	6.74	In full	-
Kotak FMP 3M Series 4	September 28, 2006	3.71	In full	-
Kotak FMP 3M Series 5	October 18, 2006	6.16	In full	-
Kotak FMP 3M Series 6	November 10, 2006	3.28	In full	-
Kotak FMP 3M Series 7	December 28, 2006	7.91	In full	-
Kotak FMP 3M Series 8	January 17, 2007	6.15	In full	-
Kotak FMP 3M Series 9	January 25, 2007	3.53	In full	-
Kotak FMP 3M Series 10	February 9, 2007	5.17	In full	-
Kotak FMP 3M Series 11	March 1, 2007	3.13	In full	-
Kotak FMP 6M Series 1	June 16, 2006	4.60	In full	-
Kotak FMP 6M Series 2	November 3, 2006	4.73	In full	-
Kotak FMP 6M Series 3	November 16, 2006	1.77	In full	-
Kotak Twin Advantage Series 2	June 9, 2006	251.24	-	In full
Kotak Twin Advantage Series 3	September 15, 2006	992.82	-	In full
Kotak Wealth Builder Series 1	February 27, 2007	1272.16	-	In full
Kotak FMP 13M Series 1	March 15, 2007	47.39	-	In full
Kotak FMP 14M Series 2	March 22, 2007	33.77	-	In full
Kotak FMP 3M Series 12	March 21, 2007	0.48	In full	-
Kotak FMP 3M Series 14	March 29, 2007	0.48	In full	-
Kotak FMP 13M Series 2	March 29, 2007	40.39	-	In full
Kotak FMP 3M Series 13	March 28, 2007	0.46	In full	-
Kotak Emerging Equity Scheme	March 30, 2007	1612.11	113.38	1498.73
Kotak FMP 3M Series 15	April 20, 2007	0.47	In full	-

Scheme	Allotment Date	Initial Issue Expenses	Borne by the AMC (Rs. Lakhs)	Borne by the Scheme ** (Rs. Lakhs)
Kotak FMP 3M Series 16	April 27, 2007	0.44	In full	-
Kotak FMP 3M Series 17	May 11, 2007	0.43	In full	-
Kotak FMP 15M Series 3	May 18, 2007	19.80	-	In full
Kotak FMP 3M Series 18	May 18, 2007	0.48	In full	-
Kotak FMP 3M Series 19	June 1, 2007	0.47	In full	-
Kotak FMP 3M Series 20	June 07, 2007	0.47	In full	-
Kotak FMP 3M Series 21	June 20, 2007	0.49	In full	-
Kotak FMP 3M Series 22	June 28, 2007	0.47	In full	-
Kotak FMP 12M Series 1	June 26, 2007	18.04	-	In full
Kotak FMP 3M Series 24	August 23, 2007	0.49	In full	-
Kotak FMP 3M Series 25	September 4, 2007	0.49	In full	-
Kotak FMP 3M Series 26	November 15, 2007	0.37	In full	-
Kotak Quarterly Interval Plan - Series 1	September 19, 2007	0.47	In full	-
Kotak Quarterly Interval Plan - Series 2	September 27, 2007	0.47	In full	-
Kotak Quarterly Interval Plan - Series 3	November 22, 2007	0.52	In full	-
Kotak Quarterly Interval Plan - Series 4	December 4, 2007	0.52	In full	-
Kotak FMP 17M Series 1	December 11, 2007	9.61	-	In full
Kotak FMP 12M Series 2	September 29, 2007	18.49	-	In full
Kotak FMP 12M Series 4	November 10, 2007	16.13	-	In full
Kotak Blended Fund of Funds	November 28, 2007	704.21	-	In full
Kotak Gold ETF	July 27, 2007	90.19	72.23	17.96
Kotak PSU BANK ETF	November 8, 2007	3.69	2.22	1.47
Kotak Global Emerging Market Fund	September 26, 2007	2555.37	-	In full

** The initial issue expenses borne by the schemes are being amortised as per the Regulations.

The Initial Issue Expenses of the schemes did not vary adversely from the estimated expenses of the respective schemes.

2. Recurring Expenses of the Schemes

The estimate of the ongoing fees and expenses of operating the Scheme on an annual basis, expressed as a percentage of the amount of the Scheme's daily average net assets is

given in the table below. The purpose of the table is to assist the investor in understanding various heads of costs and expenses that an investor in the Scheme will bear directly or indirectly.

KOTAK GILT SAVINGS PLAN, KOTAK GILT INVESTMENT PLAN

Recurring Expenses	(% per annum of daily average net assets)		
	Kotak Gilt Savings Plan	Kotak Gilt Investment - Regular Plan	Kotak Gilt Investment - Provident and Trust Plan
Investment Management and Advisory Services Fees payable to AMC	1.000	1.000	1.000
Trustee Fees	0.050	0.050	0.050
Custodian Fees	0.020	0.020	0.020
Marketing and Selling Expense (incl. Agents commission)	0.280	0.290	0.280
Registrar and Transfer Agent Fees	0.140	0.140	0.140
Transaction costs	0.005	0.005	0.005
Audit Fees	0.020	0.010	0.020
Costs related to investor communications	0.030	0.030	0.030
Cost of Funds transfer	0.005	0.005	0.005
Cost of providing a/c statements, dividends etc.	0.005	0.005	0.005
Cost of statutory advertisements	0.010	0.010	0.010
Other expenses	0.005	0.005	0.005
Service Tax	0.080	0.080	0.080
Total Annual Recurring Expenses (Estimated)	1.650	1.650	1.650

KOTAK BOND

Recurring Expenses	(% per annum of daily average net assets)		
Description	Kotak Bond (Deposit Plan)	Kotak Bond (Regular Plan)	Kotak Bond Short Term Plan
Investment Management and Advisory Services Fees payable to AMC	1.250	0.700	0.700
Trustee Fees	0.050	0.050	0.050
Custodian Fees	0.020	0.020	0.040
Marketing and Selling Expense (incl. Agents commission)	0.590	0.675	0.445
Registrar and Transfer Agent Fees	0.150	0.080	0.120
Transaction costs	0.010	0.005	0.005
Audit Fees	0.010	0.010	0.010
Costs related to investor communications	0.050	0.030	0.050
Cost of Funds transfer	0.005	0.005	0.005
Cost of providing a/c statements, dividends etc.	0.005	0.005	0.005
Cost of statutory advertisements	0.005	0.010	0.010
Other expenses	0.005	0.005	0.005
Service Tax	0.100	0.055	0.055
Total Annual Recurring Expenses (Estimated)	2.250	1.650	1.500

KOTAK LIQUID AND KOTAK FLOATER SHORT TERM SCHEME

Recurring Expenses	(% per annum of daily average net assets)			
Description	Kotak Liquid Regular Plan	Kotak Liquid Institutional Plan	Kotak Liquid Institutional PremiumPlan	Kotak Floater Short Term Scheme
Investment Management and Advisory Services Fees payable to AMC	0.700	0.500	0.400	1.250
Trustee Fees	0.050	0.050	0.050	0.050
Custodian Fees	0.020	0.020	0.020	0.040
Marketing and Selling Expense (incl. Agents' commission)	0.070	0.070	0.060	0.570
Registrar and Transfer Agent Fees	0.030	0.020	0.020	0.150
Transaction costs	0.010	0.010	0.010	0.010
Audit Fees	0.010	0.010	0.010	0.010
Costs related to investor communications	0.030	0.010	0.010	0.050
Cost of Funds transfer	0.005	0.000	0.000	0.005
Cost of providing a/c statements, dividends etc	0.005	0.005	0.010	0.005
Cost of statutory advertisements	0.010	0.010	0.010	0.005
Other expenses	0.005	0.005	0.010	0.005
Service Tax	0.055	0.040	0.040	0.100
Total Annual Recurring Expenses	1.000	0.750	0.650	2.250

KOTAK INCOME PLUS, KOTAK FLOATER LONG TERM SCHEME AND KOTAK EQUITY ARBITRAGE FUND

Recurring Expenses	(% per annum of daily average net assets)		
Description	Kotak Income Plus	Kotak Floater Long Term Scheme	Kotak Equity Arbitrage Fund
Investment Management and Advisory Services Fees payable to AMC	1.250	1.250	1.250
Trustee Fees	0.050	0.050	0.050
Service Tax on Management & Trustee Fees	0.130	0.130	0.130
Custodian Fees	0.200	0.200	0.200
Marketing and Selling Expense (incl. Agents commission)	0.320	0.320	0.320
Registrar and Transfer Agent Fees	0.150	0.150	0.150
Other Operational Expenses attributable to the scheme	0.150	0.150	0.150
Total Annual Recurring Expenses (Estimated)	2.250	2.250	2.250

KOTAK 30, KOTAK BALANCE, KOTAK MNC, KOTAK GLOBAL INDIA

Recurring Expenses	(% per annum of daily average net assets)				
Description	Kotak 30	Kotak Balance	Kotak MNC	Kotak Tech	Kotak Global India
Investment Management and Advisory Services Fees payable to AMC	1.250	1.250	1.250	1.250	1.250
Trustee Fees	0.050	0.050	0.050	0.050	0.050
Custodian Fees	0.040	0.040	0.040	0.040	0.200
Marketing and Selling Expense (incl. Agents commission)	0.770	0.770	0.770	0.520	0.500
Registrar and Transfer Agent Fees	0.200	0.200	0.200	0.200	0.250
Transaction costs	0.010	0.010	0.010	0.010	0.020
Audit Fees	0.010	0.010	0.010	0.010	0.050
Costs related to investor communications	0.050	0.050	0.050	0.050	0.060
Cost of Funds transfer	0.005	0.005	0.005	0.005	0.005
Cost of providing a/c statements, dividends etc.	0.005	0.005	0.005	0.005	0.005
Cost of statutory advertisements	0.005	0.005	0.005	0.005	0.005
Other expenses	0.005	0.005	0.005	0.005	0.005
Service Tax	0.100	0.100	0.100	0.100	0.100
Total Annual Recurring Expenses (Estimated)	2.500	2.500	2.500	2.250	2.500

KOTAK OPPORTUNITIES, KOTAK MIDCAP, KOTAK CONTRA, KOTAK FLEXI DEBT SCHEME

Recurring Expenses	(% per annum of daily average net assets)			
Description	Kotak Opportunities	Kotak Midcap	Kotak Contra	Kotak Flexi Debt Scheme
Investment Management and Advisory Services Fees payable to AMC	1.250	1.250	1.250	1.250
Trustee Fees	0.050	0.050	0.050	0.050
Custodian Fees	0.200	0.200	0.200	0.125
Marketing and Selling Expense (incl. Agents commission)	0.500	0.500	0.470	0.440
Registrar and Transfer Agent Fees	0.250	0.250	0.250	0.150
Transaction costs	0.020	0.020	0.020	0.035
Audit Fees	0.050	0.050	0.050	0.020
Costs related to investor communications	0.060	0.060	0.060	0.060
Cost of Funds transfer	0.005	0.005	0.005	0.005
Cost of providing a/c statements, dividends etc.	0.005	0.005	0.005	0.005
Cost of statutory Advertisements	0.005	0.005	0.005	0.005
Other expenses	0.005	0.005	0.005	0.005
Service Tax	0.100	0.100	0.130	0.100
TOTAL ANNUAL RECURRING EXPENSES (ESTIMATED)	2.500	2.500	2.500	2.250

KOTAK LIFESTYLE

Recurring Expenses	(% per annum of daily average net assets)
Investment Management and Advisory Services Fees payable to AMC	1.250
Trustee Fees	0.050
Custodian Fees	0.030
Marketing and Selling Expense (incl. Agents commission)	0.750
Registrar and Transfer Agent Fees	0.200
Other Operational Expenses attributable to the scheme(including service tax)	0.220
Total Annual Recurring Expenses (Estimated)	2.500

These estimates are made in good faith by the Investment Manager and are subject to change, both inter se and as an increase or decrease in the estimated total annual recurring expenses. Though the Investment Manager will make efforts to keep the recurring expenses to the minimum, actual expenses under any head and / or the total expenses may be more or less than the estimates. The Investment Manager retains the right to charge the actual expenses to the Fund, however the expenses charged will not exceed the statutory limit prescribed by the Regulations.

The above estimates are based on an amount of Rs. 100 crores for the Scheme and will change to the extent assets are lower or higher.

The recurring expenses under the Scheme (including investment and advisory fees) will be subject to the following maximum limits (as a percentage of Weekly Average Net Assets of the Scheme) as per Regulation 52(6). Expenses over and above the permitted limit under the applicable Regulations will be borne by the AMC.

Weekly Average Net Assets (Rs.)	Kotak 30/ Kotak Balance/ Kotak MNC/ Kotak Tech/ Kotak Global India/ Kotak Opportunities/ Kotak Midcap/ Kotak Contra/ Kotak Lifestyle	Kotak Gilt / Kotak Bond / Kotak Bond Short Term Plan/ Kotak Liquid Regular / Kotak Floater Short Term / Kotak Income Plus/ Kotak Floater Long Term/ Kotak Equity Arbitrage Fund/ Kotak Flexi Debt Scheme
First 100 crores	2.50%	2.25%
Next 300 crores	2.25%	2.00%
Next 300 crores	2.00%	1.75%
Balance assets	1.75%	1.50%

The AMC may charge the Scheme with investment and advisory fees subject to the currently applicable maximum limits (as a percentage of Weekly Average Net Assets of the Scheme) as per Regulation 52.

Weekly Average Net Assets outstanding in each accounting year (Rs.)	Fees chargeable
First 100 crores	1.25 %
On balance assets	1.00 %

VII. UNITHOLDERS' RIGHTS AND SERVICES

A. UNITHOLDERS' RIGHTS

1. Unitholders under the Scheme have a proportionate right in the beneficial ownership of the assets of the Scheme and to the dividend declared, if any, by the Fund under the Scheme.
2. The Trustee shall be bound to make such disclosures to the Unitholders as are essential in order to keep them informed about any relevant information, especially which may have an adverse bearing on their investments.
3. If the Fund declares a dividend under the Scheme, it is required to dispatch dividend warrants within 30 days from the date of declaration of the dividend.
4. The Fund is required to dispatch redemption cheques within 10 Working Days from the date of redemption. If the Fund fails to send the redemption cheques after the said 10 Working days, interest at the rate of 15% p.a. will be paid to the applicant and borne by the AMC for the period from the day following the date of expiry of the said 10 Working days until the actual date of the refund.
5. The appointment of an AMC for the Fund may, with the prior approval of SEBI, be terminated by 75% of the Unitholders or by a majority of the Board of Directors of the Trustee.
6. Unitholders have the right to inspect all the documents listed under the heading "Documents Available for Inspection".
7. 75% of the Unitholders of the Scheme can pass a resolution to wind-up the Scheme.
8. The Trustee is obliged to convene a meeting of the Unitholders of a Scheme on the requisition of 75% of the Unitholders of the Scheme.
9. The Trustee is obliged to obtain the consent of the Unitholders -
 - a) Whenever required to do so by SEBI in the interest of the Unitholders; or
 - b) Whenever required to do so on a requisition made by three-fourths of the Unitholders of any Scheme; or
 - c) When the majority of the Board of Directors of the Trustee decides to wind up or prematurely redeem the Units.
10. The Trustee shall ensure that no change in the fundamental attributes of any scheme or the trust or fees and expenses payable or any other change which would modify the scheme and affects the interest of Unitholders, is carried out unless,
 - i. a written communication about the proposed change is sent to each Unitholder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Fund is situated; and
 - ii. the Unitholders are given an option to exit at the prevailing Net Asset Value without any Exit Load.
11. For any change in the scheme features, the addendum detailing such changes may be attached to the offer documents and abridged offer documents. The addendum may be circulated to all the distributors/brokers

so that the same can be attached to all offer documents and abridged offer documents already in stock. The addendum may also be sent along with the newsletter sent to the Unitholders after the changes. Arrangements may be made to display the changes/modifications in the offer document in the form of a notice in all the investor service centres and distributors/brokers office.

B. VOTING RIGHTS OF THE UNITHOLDERS

Subject to the provisions of the Regulations as amended from time to time, the consent of the Unitholders shall be obtained, entirely at the option of the Trustee, either at a meeting of the Unitholders or through postal ballot. Only one Unitholder in respect of each folio or account representing a holding shall vote and he shall have one vote in respect of each resolution to be passed.

C. ACCOUNT STATEMENTS

An Account Statement, stating the number of Units allotted/redeemed, will be sent to each Unitholder within 30 (Thirty) days from the date of the transaction. The account statements will be sent to Unitholders in accordance with SEBI circular dated November 20, 2006. An Account Statement may be sent to a Unitholder using e-mail with the consent of the Unitholder. Account Statements to be issued in lieu of Unit Certificates under the Scheme are non-transferable. These Account Statements shall not be construed as proof of title and are only computer printed statements, indicating the details of transactions under the Scheme concerned during the relevant financial year and giving the closing balance of Units for the information of Unitholders. The Trustee may issue a Unit Certificate in lieu of Account Statement in respect of Units held, to those Unitholders who request for the same, after receipt of a specific request from the Unitholder concerned, at the cost and expense of the Unitholder or otherwise, as may be decided from time to time. Any discrepancy in the Account Statement / Unit Certificate should be brought to the notice of the Fund/AMC immediately. Contents of the Account Statement / Unit Certificate will be deemed to be correct if no error is reported within 30 days from the date of Account Statement / Unit Certificate. Further, the Trustee also reserves the right to issue, on an ongoing basis, in lieu of Account Statements, Transaction Confirmation Slips, therein indicating the price and the Units debited or credited to the Account of the Investor/Unitholder, along with the closing balance of his Account. Under this system, a periodical statement of holdings of the Investor in the relevant Scheme of KMMF will be given.

D. USE OF POSTAL SERVICES FOR DISPATCH OF DIVIDEND WARRANTS AND ACCOUNT STATEMENTS

The investor is aware that the mutual fund needs to use intermediaries such as post office, local and international couriers, banks and other intermediaries for correspondence with the investor and for making payments to the investor by cheques, drafts, warrants through ECS etc. The investor expressly agrees and authorizes the mutual fund to correspond with the investor or make payments to the investor through intermediaries including but not limited to post office, local and international couriers and banks. The investor clearly understands the mutual fund uses such intermediaries for the convenience of the investor and such intermediaries are agents of the investor and not of the mutual fund. The mutual fund is not responsible for delayed receipt or non receipt of any correspondence or payment

through such intermediaries.

E. NAV INFORMATION

The NAVs of the Scheme will be calculated and announced by the Fund on each Working Day in at least two daily newspapers. NAV information will also be posted, on each Working Day, on the Fund's website - www.kotakmutual.com and on the AMFI website – www.amfiindia.com.

Investors may obtain information on loads on any Working Day by calling the office of the AMC or any of the Investor Service Centers. Information on applicability of loads will also be provided in the Account Statement.

F. DISCLOSURE OF INFORMATION UNDER THE REGULATIONS

1. The Schemewise Annual Report / an abridged summary thereof, will be prepared and mailed to all Unitholders; as soon as may be but not later than six months from the date of closure of the relevant financial year. Whenever the report is sent in summary form, the full Annual Report will be made available for inspection at the Registered Office of the Trustee and a copy, made available on request to the Unitholders on payment of a nominal fee.
2. The unaudited financial results will be published through an advertisement in one English daily newspaper circulating in the whole of India and in a

newspaper published in the language of the region where the Registered Office of the Trustee is situated, before the expiry of one month from the close of each half year, that is the 31st of March and the 30th of September. The same will also be posted on the website of the Fund and that of AMFI.

3. A complete statement of the portfolio of the Scheme will either be sent to all Unitholders, or published by way of an advertisement, before the expiry of one month from the close of each half year, that is the 31st of March and the 30th of September, in one English daily newspaper circulating in the whole of India and in a newspaper published in the language of the region where the head office of the Trustee is situated. The same will also be posted on the website of the Fund.
4. In case any company has invested more than 5% of the Net Asset Value of any scheme of the Fund, investment made by that scheme or any other scheme of the Fund in that company or its subsidiaries will be disclosed, as required by the Regulations, to the Trustee and in the half-yearly and annual accounts, with justification for such investments. As on September 30, 2007, the following companies have made investments in the schemes of the Fund in excess of 5% of the net asset value and during this period, other schemes of the Fund invested in these companies.

(Rupees in Lakhs)

Company	Schemes invested in by the company	Investing Scheme/(s)	Aggregate investments made by the scheme/(s) in the company for the period under regulation
AIA Engineering Limited	Kotak FMP 3M Series 14 Kotak FMP 3M Series 14 Kotak FMP 3M Series 14	Kotak Balance Kotak Income Plus Kotak Equity Arbitrage Fund	160.29 13.01 11.97
AXIS Bank Ltd.	Kotak Floater Short Term Kotak Floater Short Term Kotak Floater Short Term Kotak Floater Short Term Kotak Floater Short Term Kotak Floater Short Term Kotak Floater Short Term Kotak Floater Short Term Kotak Floater Short Term Kotak Floater Short Term Kotak Floater Short Term Kotak Floater Short Term Kotak Floater Short Term Kotak Floater Short Term Kotak Floater Short Term Kotak Floater Short Term Kotak Floater Short Term Kotak Floater Short Term Kotak Floater Short Term	Kotak 30 Kotak Balance Kotak Floater Short Term Kotak FMP 3M Series 14 Kotak FMP 3M Series 15 Kotak FMP 3M Series 17 Kotak FMP 3M Series 5 Kotak FMP 3M Series 8 Kotak FMP- Series XXI Kotak Liquid Kotak Flexi Debt Kotak Floater Short Term Kotak Income Plus Kotak Lifestyle Kotak Dynamic Asset Allocation Kotak Equity Arbitrage Fund	1401.57 632.01 2488.15 9845.42 488.56 4375.71 493.37 4374.07 2428.83 23952.60 10540.71 2488.15 1036.27 275.85 1973.48 515.82
Asian Paints(India) Ltd.	Kotak FMP 6M Series 2 Kotak FMP 6M Series 2 Kotak FMP 6M Series 2 Kotak FMP 6M Series 2	Kotak Balance Kotak Contra Kotak Global India Kotak Lifestyle	159.79 51.09 147.03 874.68
Balaji Telefilms Ltd.	Kotak Cash Plus	Kotak Lifestyle	256.17
Bank Of Baroda	Kotak Bond Short Term Plan Kotak Bond Short Term Plan Kotak Bond Short Term Plan Kotak Bond Short Term Plan Kotak Bond Short Term Plan	Kotak 30 Kotak Balance Kotak FMP- Series XVIII Kotak Liquid Kotak Contra Kotak Flexi Debt	1149.68 171.98 1129.26 1042.43 36.07 1129.23

Company	Schemes invested in by the company	Investing Scheme/(s)	Aggregate investments made by the scheme/(s) in the company for the period under regulation
	Kotak Bond Short Term Plan Kotak Bond Short Term Plan Kotak Bond Short Term Plan	Kotak Opportunities Kotak Tax Saver Kotak Equity Arbitrage Fund	244.63 905.22 966.69
Bank of India	Kotak Flexi Debt Kotak Flexi Debt Kotak Flexi Debt Kotak Flexi Debt Kotak Flexi Debt Kotak Flexi Debt	Kotak 30 Kotak Balance Kotak Midcap Kotak Opportunities Kotak Tax Saver Kotak Equity Arbitrage Fund	956.17 142.23 574.00 1730.01 168.12 312.38
Bharti Airtel Ltd.	Kotak Floater Short Term Kotak Floater Short Term Kotak Floater Short Term Kotak Floater Short Term Kotak Floater Short Term Kotak Floater Short Term Kotak Floater Short Term Kotak Floater Short Term Kotak Floater Short Term Kotak Floater Short Term	Kotak 30 Kotak Balance Kotak MNC Kotak Technology Kotak Income Plus Kotak Lifestyle Kotak Opportunities Kotak Tax Saver Kotak Dynamic Asset Allocation Kotak Equity Arbitrage Fund	10673.74 1183.35 621.85 256.61 286.89 6568.80 1585.80 2020.34 195.67 97.84
Birla Corporation Ltd.	Kotak FMP 13M Series 2 Kotak FMP 13M Series 2 Kotak FMP 13M Series 2 Kotak FMP 13M Series 2 Kotak FMP 13M Series 2	Kotak Floater Short Term Kotak Liquid Kotak Floater Short Term Kotak Midcap Kotak Equity Arbitrage Fund	2000.00 3500.00 2000.00 668.57 111.87
DLF Limited	Kotak Liquid Kotak Liquid Kotak Liquid Kotak Liquid Kotak Liquid Kotak Liquid	Kotak 30 Kotak Balance Kotak Lifestyle Kotak Opportunities Kotak Tax Saver Kotak Emerging Equity Scheme	754.01 83.24 554.43 347.14 422.12 468.01
Dabur India Ltd.	Kotak FMP 3M Series 13 Kotak FMP 3M Series 13 Kotak FMP 3M Series 13 Kotak FMP 3M Series 13 Kotak FMP 3M Series 13 Kotak FMP 3M Series 13	Kotak 30 Kotak Balance Kotak Income Plus Kotak Lifestyle Kotak Opportunities Kotak Dynamic Asset Allocation	1043.16 486.14 39.48 1766.69 2127.01 14.29
Dalmia Cement (Bharat) Ltd.	Kotak Floater Short Term	Kotak Tax Saver	188.37
Dewan Housing Finance Corporation Ltd.	Kotak Floater Short Term Kotak Floater Short Term	Kotak Floater Short Term Kotak Floater Short Term	1500.00 1500.00
Edelweiss Capital Ltd.	Kotak MNC	Kotak Flexi Debt	979.34
Financial Technologies (India) Ltd.	Kotak Cash Plus Kotak Cash Plus Kotak Cash Plus Kotak Cash Plus	Kotak Technology Kotak Midcap Kotak Opportunities Kotak Tax Saver	105.64 379.39 557.04 43.69
Global Trade Finance Ltd.	Kotak Floater Short Term Kotak Floater Short Term Kotak Floater Short Term Kotak Floater Short Term Kotak Floater Short Term Kotak Floater Short Term Kotak Floater Short Term Kotak Floater Short Term Kotak Floater Short Term Kotak Floater Short Term Kotak Floater Short Term Kotak Floater Short Term Kotak Floater Short Term Kotak Floater Short Term Kotak Floater Short Term Kotak Floater Short Term Kotak Floater Short Term Kotak Floater Short Term	Kotak Bond Short Term Kotak Floater Long Term Kotak Floater Short Term Kotak FMP 3M Series 1 Kotak FMP 3M Series 10 Kotak FMP 3M Series 15 Kotak FMP 3M Series 16 Kotak FMP 3M Series 2 Kotak FMP- Series 20 Kotak FMP- Series I Kotak FMP- Series XII Kotak FMP- Series XVI Kotak FMP- Series XVIII Kotak Liquid	1200.00 600.00 6600.00 1000.00 5000.00 4200.00 4300.00 1500.00 1500.00 2500.00 3000.00 500.00 3500.00 154932.83

(Rs. In Lakhs)

Company	Schemes invested in by the company	Investing Scheme/(s)	Aggregate investments made by the scheme/(s) in the company for the period under regulation
	Kotak Floater Short Term Kotak Floater Short Term	Kotak Flexi Debt Kotak Floater Short Term	18300.00 6600.00
Grasim Industries Ltd.	Kotak FMP Series XV Kotak FMP Series XV Kotak FMP Series XV Kotak FMP Series XV Kotak FMP Series XV Kotak FMP Series XV Kotak FMP Series XV Kotak FMP Series XV Kotak FMP Series XV Kotak FMP Series XV Kotak FMP Series XV Kotak FMP Series XV	Kotak 30 Kotak Balance Kotak Floater Short Term Kotak Liquid Kotak Contra Kotak Flexi Debt Kotak Floater Short Term Kotak Income Plus Kotak Opportunities Kotak Twin Advantage Series III Kotak Dynamic Asset Allocation Kotak Equity Arbitrage Fund	5982.56 469.21 3800.00 28200.00 1760.44 518.51 3800.00 107.42 228.54 1600.00 42.03 105.14
HCL Technologies Ltd.	Kotak Cash Plus Kotak Cash Plus Kotak Cash Plus Kotak Cash Plus Kotak Cash Plus Kotak Cash Plus Kotak Cash Plus Kotak Cash Plus	Kotak 30 Kotak Balance Kotak Technology Kotak Global India Kotak Income Plus Kotak Opportunities Kotak Tax Saver Kotak Dynamic Asset Allocation	807.78 199.75 447.16 112.02 32.36 1311.13 397.44 32.00
HDFC Bank Ltd.	Kotak Liquid Kotak Liquid	Kotak 30 Kotak Bond Short Term Kotak Floater Long Term Kotak Floater Short Term Kotak FMP 3M Series 14 Kotak FMP 3M Series 16 Kotak FMP 3M Series 17 Kotak FMP 3M Series 22 Kotak FMP 3M Series 3 Kotak FMP 3M Series 4 Kotak FMP 3M Series 5 Kotak FMP 3M Series 7 Kotak FMP 3M Series 8 Kotak FMP- Series 19 Kotak FMP- Series XVIII Kotak Liquid Kotak Flexi Debt Kotak Floater Short Term Kotak Lifestyle Kotak Midcap Kotak Twin Advantage Series III Kotak Dynamic Asset Allocation	2245.12 1949.87 3449.60 4756.05 2441.33 1470.17 18338.76 2476.49 12810.20 7873.60 4908.15 978.75 2463.03 2350.59 2450.01 118051.60 10458.50 4756.05 2677.47 964.27 472.27 52.49
Hero Honda Motors Ltd.	Kotak FMP 3M Series 4 Kotak FMP 3M Series 4 Kotak FMP 3M Series 4 Kotak FMP 3M Series 4	Kotak MNC Kotak Income Plus Kotak Opportunities Kotak Dynamic Asset Allocation	56.36 30.66 1237.31 24.01
Hexaware Technologies Ltd.	Kotak Bond Short Term Plan	Kotak Technology	180.28
Hindalco Industries Ltd.	Kotak Bond Short Term Plan Kotak Bond Short Term Plan Kotak Bond Short Term Plan Kotak Bond Short Term Plan Kotak Bond Short Term Plan Kotak Bond Short Term Plan Kotak Bond Short Term Plan Kotak Bond Short Term Plan Kotak Bond Short Term Plan Kotak Bond Short Term Plan Kotak Bond Short Term Plan Kotak Bond Short Term Plan	Kotak 30 Kotak Balance Kotak Bond Short Term Kotak Liquid Kotak Contra Kotak Global India Kotak Income Plus Kotak Opportunities Kotak Tax Saver Kotak Dynamic Asset Allocation	1064.25 403.33 967.64 6354.40 3555.00 1501.65 107.65 2257.56 461.57 31.98

Company	Schemes invested in by the company	Investing Scheme/(s)	Aggregate investments made by the scheme/(s) in the company for the period under regulation
	Kotak Bond Short Term Plan	Kotak Equity Arbitrage Fund	1166.74
Hindustan Unilever Ltd.	Kotak FMP Series 19	Kotak 30	4848.83
	Kotak FMP Series 19	Kotak Balance	1087.93
	Kotak FMP Series 19	Kotak MNC	344.58
	Kotak FMP Series 19	Kotak Contra	1727.69
	Kotak FMP Series 19	Kotak Income Plus	88.29
	Kotak FMP Series 19	Kotak Lifestyle	4203.35
	Kotak FMP Series 19	Kotak Midcap	644.96
	Kotak FMP Series 19	Kotak Opportunities	891.95
	Kotak FMP Series 19	Kotak Tax Saver	487.16
	Kotak FMP Series 19	Kotak Dynamic Asset Allocation	77.70
	Kotak FMP Series 19	Kotak Equity Arbitrage Fund	59.60
ICICI Bank Ltd.	Kotak Liquid	Kotak 30	6072.75
	Kotak Liquid	Kotak Balance	797.62
	Kotak Liquid	Kotak Bond	739.31
	Kotak Liquid	Kotak Bond Short Term	2422.61
	Kotak Liquid	Kotak Floater Long Term	11779.01
	Kotak Liquid	Kotak Floater Short Term	20745.22
	Kotak Liquid	Kotak FMP 3M Series 10	1952.77
	Kotak Liquid	Kotak FMP 3M Series 3	2457.32
	Kotak Liquid	Kotak FMP 3M Series 7	2463.55
	Kotak Liquid	Kotak FMP 3M Series 9	984.74
	Kotak Liquid	Kotak FMP 6M Series 2	954.82
	Kotak Liquid	Kotak FMP- Series 13	3681.41
	Kotak Liquid	Kotak FMP- Series 25	2488.68
	Kotak Liquid	Kotak Liquid	198171.73
	Kotak Liquid	Kotak Flexi Debt	10640.31
	Kotak Liquid	Kotak Floater Short Term	20745.22
	Kotak Liquid	Kotak Global India	464.50
	Kotak Liquid	Kotak Income Plus	216.36
	Kotak Liquid	Kotak Lifestyle	10139.73
	Kotak Liquid	Kotak Opportunities	2272.58
	Kotak Liquid	Kotak Tax Saver	2495.79
	Kotak Liquid	Kotak Twin Advantage Series II	1317.23
	Kotak Liquid	Kotak Twin Advantage Series III	479.03
	Kotak Liquid	Kotak Dynamic Asset Allocation	3070.73
	Kotak Liquid	Kotak Emerging Equity Scheme	3633.96
	Kotak Liquid	Kotak Equity Arbitrage Fund	1483.44
	Kotak Liquid	Kotak FMP 13M Series 1	908.43
	Kotak Liquid	Kotak FMP 13M Series 2	2271.23
IFCI Ltd.	Kotak Floater Short Term	Kotak Equity Arbitrage Fund	516.21
ITC Ltd.	Kotak Floater Short Term	Kotak 30	4309.00
	Kotak Floater Short Term	Kotak Balance	268.17
	Kotak Floater Short Term	Kotak MNC	820.47
	Kotak Floater Short Term	Kotak Income Plus	74.71
	Kotak Floater Short Term	Kotak Lifestyle	3617.23
	Kotak Floater Short Term	Kotak Opportunities	2428.94
	Kotak Floater Short Term	Kotak Dynamic Asset Allocation	102.45
	Kotak Floater Short Term	Kotak Equity Arbitrage Fund	475.53
Indian Petrochemical Corporation Ltd	Kotak FMP 3M Series 11	Kotak Dynamic Asset Allocation	14.08
	Kotak FMP 3M Series 11	Kotak Equity Arbitrage Fund	463.08
Industrial Development Bank Of India	Kotak Floater Short Term	Kotak 30	1589.63
	Kotak Floater Short Term	Kotak Balance	2955.18
	Kotak Floater Short Term	Kotak Bond	493.53
	Kotak Floater Short Term	Kotak Floater Short Term	3289.98
	Kotak Floater Short Term	Kotak FMP- Series XIV	504.58
	Kotak Floater Short Term	Kotak FMP- Series XVI	2468.60
	Kotak Floater Short Term	Kotak FMP- Series XXI	1484.18
	Kotak Floater Short Term	Kotak Liquid	39422.54

(Rs. In Lakhs)

Company	Schemes invested in by the company	Investing Scheme/(s)	Aggregate investments made by the scheme/(s) in the company for the period under regulation
	Kotak Floater Short Term Kotak Floater Short Term Kotak Floater Short Term Kotak Floater Short Term Kotak Floater Short Term Kotak Floater Short Term Kotak Floater Short Term Kotak Floater Short Term Kotak Floater Short Term	Kotak MNC Kotak Contra Kotak Flexi Debt Kotak Floater Short Term Kotak Income Plus Kotak Midcap Kotak Dynamic Asset Allocation Kotak Equity Arbitrage Fund Kotak FMP 16M Series 1	528.03 522.25 7215.27 3289.98 2531.85 2640.26 1570.95 2639.46 471.67
JM Financial Products Private Limited	Kotak Liquid Kotak Liquid Kotak Liquid Kotak Liquid Kotak Liquid	Kotak Bond Short Term Kotak Floater Short Term Kotak Liquid Kotak Flexi Debt Kotak Floater Short Term	1000.00 4000.00 14100.00 7500.00 4000.00
Jagran Prakashan Ltd	Kotak Bond Short Term Plan Kotak Bond Short Term Plan	Kotak Lifestyle Kotak Tax Saver	1230.80 296.62
Jammu & Kashmir Bank	Kotak Flexi Debt Kotak Flexi Debt	Kotak Bond Short Term Kotak Floater Long Term Kotak Floater Short Term Kotak FMP 3M Series 3 Kotak FMP 3M Series 9 Kotak FMP- Series 19 Kotak FMP- Series 25 Kotak FMP- Series XII Kotak FMP- Series XVII Kotak FMP- Series XVIII Kotak Liquid Kotak MNC Kotak Contra Kotak Flexi Debt Kotak Floater Short Term Kotak Global India Kotak Income Plus Kotak Opportunities Kotak Dynamic Asset Allocation Kotak Equity Arbitrage Fund Kotak FMP 14M Series 2	1427.38 2868.94 8677.51 4910.64 2443.98 980.63 1380.68 1494.76 1953.84 4899.19 72056.24 490.92 490.92 8750.80 8677.51 490.92 490.92 490.92 490.92 480.77 208.82 480.22
Kalpataru Power Transmission Ltd.	Kotak FMP 3M Series 4 Kotak FMP 3M Series 4 Kotak FMP 3M Series 4 Kotak FMP 3M Series 4 Kotak FMP 3M Series 4	Kotak Balance Kotak Income Plus Kotak Midcap Kotak Opportunities Kotak Emerging Equity Scheme	147.63 14.65 1166.82 319.61 1188.74
Kotak Mahindra Bank Ltd.	Kotak Liquid	Kotak FMP 3M Series 14	4851.44
Larsen and Toubro Ltd.	Kotak FMP Series 23 Kotak FMP Series 23 Kotak FMP Series 23 Kotak FMP Series 23 Kotak FMP Series 23 Kotak FMP Series 23 Kotak FMP Series 23	Kotak 30 Kotak Balance Kotak Liquid Kotak Global India Kotak Income Plus Kotak Opportunities Kotak Dynamic Asset Allocation	4700.70 542.88 3500.00 137.59 28.16 1717.25 66.45
Mahindra & Mahindra Ltd.	Kotak Floater Long Term Kotak Floater Long Term Kotak Floater Long Term Kotak Floater Long Term Kotak Floater Long Term Kotak Floater Long Term Kotak Floater Long Term Kotak Floater Long Term Kotak Floater Long Term	Kotak 30 Kotak Balance Kotak Contra Kotak Global India Kotak Income Plus Kotak Lifestyle Kotak Opportunities Kotak Dynamic Asset Allocation Kotak Equity Arbitrage Fund	5307.84 1116.24 952.24 93.47 40.73 2073.58 3166.27 36.19 12.38

Company	Schemes invested in by the company	Investing Scheme/(s)	Aggregate investments made by the scheme/(s) in the company for the period under regulation
Maruti Udyog Ltd.	Kotak FMP Series 19	Kotak 30	1423.91
	Kotak FMP Series 19	Kotak Balance	223.05
	Kotak FMP Series 19	Kotak MNC	309.66
	Kotak FMP Series 19	Kotak Contra	625.08
	Kotak FMP Series 19	Kotak Lifestyle	1215.95
	Kotak FMP Series 19	Kotak Dynamic Asset Allocation	42.97
Patni Computer Systems (P) Ltd.	Kotak FMP 3M Series 4	Kotak Technology	374.48
	Kotak FMP 3M Series 4	Kotak Equity Arbitrage Fund	416.42
Raymond Ltd.	Kotak FMP Series XVI	Kotak Balance	115.62
	Kotak FMP Series XVI	Kotak Bond Short Term	500.00
	Kotak FMP Series XVI	Kotak Floater Long Term	900.00
	Kotak FMP Series XVI	Kotak Floater Short Term	7700.00
	Kotak FMP Series XVI	Kotak FMP 3M Series 7	1100.00
Raymond Ltd.	Kotak FMP Series XVI	Kotak FMP- Series I	300.00
	Kotak FMP Series XVI	Kotak FMP- Series XII	700.00
	Kotak FMP Series XVI	Kotak FMP- Series XV	500.00
	Kotak FMP Series XVI	Kotak FMP- Series XVI	700.00
	Kotak FMP Series XVI	Kotak FMP- Series XVII	1200.00
	Kotak FMP Series XVI	Kotak Liquid	43503.50
	Kotak FMP Series XVI	Kotak Contra	4532.61
	Kotak FMP Series XVI	Kotak Flexi Debt	2500.00
	Kotak FMP Series XVI	Kotak Floater Short Term	7700.00
	Kotak FMP Series XVI	Kotak Global India	7.91
	Kotak FMP Series XVI	Kotak Lifestyle	1579.59
	Kotak FMP Series XVI	Kotak Tax Saver	302.24
	Reliance Communications Ltd.	Kotak Floater Long Term	Kotak 30
Kotak Floater Long Term		Kotak Balance	420.16
Kotak Floater Long Term		Kotak Floater Short Term	1000.00
Kotak Floater Long Term		Kotak Liquid	4000.00
Kotak Floater Long Term		Kotak Technology	148.01
Kotak Floater Long Term		Kotak Floater Short Term	1000.00
Kotak Floater Long Term		Kotak Global India	452.45
Kotak Floater Long Term		Kotak Income Plus	158.97
Kotak Floater Long Term		Kotak Lifestyle	2947.01
Kotak Floater Long Term		Kotak Opportunities	1141.16
Kotak Floater Long Term		Kotak Tax Saver	955.67
Kotak Floater Long Term		Kotak Dynamic Asset Allocation	142.34
Kotak Floater Long Term		Kotak Equity Arbitrage Fund	221.13
Reliance Industries Ltd.		Kotak Liquid	Kotak 30
	Kotak Liquid	Kotak Balance	1378.56
	Kotak Liquid	Kotak Bond	549.96
	Kotak Liquid	Kotak Bond Short Term	2072.75
	Kotak Liquid	Kotak Floater Long Term	1592.13
	Kotak Liquid	Kotak Floater Short Term	1573.41
	Kotak Liquid	Kotak Liquid	1562.87
	Kotak Liquid	Kotak Contra	683.35
	Kotak Liquid	Kotak Floater Short Term	1573.41
	Kotak Liquid	Kotak Income Plus	768.30
	Kotak Liquid	Kotak Opportunities	3685.44
	Kotak Liquid	Kotak Tax Saver	1574.24
	Kotak Liquid	Kotak Dynamic Asset Allocation	294.36
	Kotak Liquid	Kotak Equity Arbitrage Fund	4239.72
	Reliance Petroleum Ltd.	Kotak Liquid	Kotak 30
Kotak Liquid		Kotak Balance	22.82
Kotak Liquid		Kotak Contra	81.13
Kotak Liquid		Kotak Income Plus	18.29
Kotak Liquid		Kotak Midcap	85.30
Kotak Liquid		Kotak Opportunities	66.57
Kotak Liquid		Kotak Tax Saver	32.12

(Rs. In Lakhs)

Company	Schemes invested in by the company	Investing Scheme/(s)	Aggregate investments made by the scheme/(s) in the company for the period under regulation
Rolta India Ltd.	Kotak Bond Short Term Plan	Kotak Equity Arbitrage Fund	8.74
Sesa Goa Ltd.	Kotak FMP Series XVII	Kotak Balance	216.02
	Kotak FMP Series XVII	Kotak MNC	99.67
	Kotak FMP Series XVII	Kotak Global India	1030.68
	Kotak FMP Series XVII	Kotak Income Plus	56.18
	Kotak FMP Series XVII	Kotak Midcap	1921.80
	Kotak FMP Series XVII	Kotak Opportunities	1207.80
	Kotak FMP Series XVII	Kotak Equity Arbitrage Fund	47.39
State Bank Of India.	Kotak Liquid	Kotak 30	4158.51
	Kotak Liquid	Kotak Bond	375.46
	Kotak Liquid	Kotak Bond Short Term	7504.88
	Kotak Liquid	Kotak Floater Long Term	2000.46
	Kotak Liquid	Kotak Floater Short Term	13122.17
	Kotak Liquid	Kotak FMP 3M Series 10	3907.08
	Kotak Liquid	Kotak FMP 3M Series 7	983.93
	Kotak Liquid	Kotak FMP 3M Series 8	972.01
	Kotak Liquid	Kotak Liquid	134219.95
	Kotak Liquid	Kotak Flexi Debt	79906.49
	Kotak Liquid	Kotak Floater Short Term	13122.17
	Kotak Liquid	Kotak Income Plus	31.07
	Kotak Liquid	Kotak Opportunities	478.80
	Kotak Liquid	Kotak Twin Advantage Series II	943.66
	Kotak Liquid	Kotak Twin Advantage Series III	457.32
	Kotak Liquid	Kotak Dynamic Asset Allocation	101.52
	Kotak Liquid	Kotak Equity Arbitrage Fund	913.43
	Kotak Liquid	Kotak FMP 13M Series 1	914.69
	Kotak Liquid	Kotak FMP 13M Series 2	920.16
State Bank of Bikaner & Jaipur	Kotak Bond Short Term Plan	Kotak Bond Short Term	470.39
	Kotak Bond Short Term Plan	Kotak Floater Short Term	4332.58
	Kotak Bond Short Term Plan	Kotak FMP- Series XV	982.85
	Kotak Bond Short Term Plan	Kotak FMP- Series XXI	1424.92
	Kotak Bond Short Term Plan	Kotak Liquid	99658.59
	Kotak Bond Short Term Plan	Kotak Flexi Debt	15672.78
	Kotak Bond Short Term Plan	Kotak Floater Short Term	4332.58
	Kotak Bond Short Term Plan	Kotak Dynamic Asset Allocation	975.62
	Kotak Bond Short Term Plan	Kotak Emerging Equity Scheme	963.88
	Kotak Bond Short Term Plan	Kotak FMP 13m Series 1	490.25
State Bank of Hyderabad	Kotak Bond Short Term Plan	Kotak Bond Short Term	509.04
	Kotak Bond Short Term Plan	Kotak Floater Short Term	948.42
	Kotak Bond Short Term Plan	Kotak FMP 3M Series 13	493.69
	Kotak Bond Short Term Plan	Kotak FMP 3M Series 8	965.99
	Kotak Bond Short Term Plan	Kotak Liquid	24352.86
	Kotak Bond Short Term Plan	Kotak Flexi Debt	57531.17
	Kotak Bond Short Term Plan	Kotak Floater Short Term	948.42
	Kotak Bond Short Term Plan	Kotak Dynamic Asset Allocation	493.69
Sterlite Industries (India) Ltd	Kotak Floater Long Term	Kotak 30	3913.29
	Kotak Floater Long Term	Kotak Balance	706.07
	Kotak Floater Long Term	Kotak Bond Short Term	2100.00
	Kotak Floater Long Term	Kotak Floater Short Term	7400.00
	Kotak Floater Long Term	Kotak FMP- Series XVI	1500.00
	Kotak Floater Long Term	Kotak FMP- Series XVIII	1100.00
	Kotak Floater Long Term	Kotak Liquid	46100.00
	Kotak Floater Long Term	Kotak Contra	1933.49
	Kotak Floater Long Term	Kotak Flexi Debt	11900.00

(Rs. In Lakhs)

Company	Schemes invested in by the company	Investing Scheme/(s)	Aggregate investments made by the scheme/(s) in the company for the period under regulation
	Kotak Floater Long Term	Kotak Floater Short Term	7400.00
	Kotak Floater Long Term	Kotak Global India	981.39
	Kotak Floater Long Term	Kotak Income Plus	671.22
	Kotak Floater Long Term	Kotak Opportunities	3246.35
	Kotak Floater Long Term	Kotak Tax Saver	500.00
	Kotak Floater Long Term	Kotak Twin Advantage Series III	1600.00
	Kotak Floater Long Term	Kotak Dynamic Asset Allocation	44.18
	Kotak Floater Long Term	Kotak Equity Arbitrage Fund	1432.30
Sundaram Finance Ltd.	Kotak Floater Short Term	Kotak Bond	100.00
	Kotak Floater Short Term	Kotak Bond Short Term	4074.82
	Kotak Floater Short Term	Kotak Floater Long Term	2003.22
	Kotak Floater Short Term	Kotak Floater Short Term	1005.87
	Kotak Floater Short Term	Kotak FMP 12M Series 1	1000.00
	Kotak Floater Short Term	Kotak FMP 3M Series 16	1469.45
	Kotak Floater Short Term	Kotak Liquid	95075.76
	Kotak Floater Short Term	Kotak Flexi Debt	16288.88
	Kotak Floater Short Term	Kotak Floater Short Term	1005.87
	Kotak Floater Short Term	Kotak Twin Advantage Series II	1006.44
	Kotak Floater Short Term	Kotak Twin Advantage Series III	1006.44
	Kotak Floater Short Term	Kotak Dynamic Asset Allocation	1032.13
	Kotak Floater Short Term	Kotak FMP 13M Series 1	2500.00
	Kotak Floater Short Term	Kotak FMP 13M Series 2	1000.00
Tata Chemicals Ltd.	Kotak FMP 6M Series 2	Kotak Contra	678.50
	Kotak FMP 6M Series 2	Kotak Opportunities	581.87
Tata Consultancy Services Ltd.	Kotak Floater Long Term	Kotak 30	5728.64
	Kotak Floater Long Term	Kotak Balance	272.80
	Kotak Floater Long Term	Kotak Technology	527.10
	Kotak Floater Long Term	Kotak Contra	2747.25
	Kotak Floater Long Term	Kotak Global India	881.13
	Kotak Floater Long Term	Kotak Income Plus	155.47
	Kotak Floater Long Term	Kotak Dynamic Asset Allocation	200.95
	Kotak Floater Long Term	Kotak Equity Arbitrage Fund	218.80
Tata Sons Ltd.	Kotak FMP Series 19	Kotak Bond	390.55
	Kotak FMP Series 19	Kotak Bond Short Term	1562.20
	Kotak FMP Series 19	Kotak Floater Long Term	3439.54
	Kotak FMP Series 19	Kotak Floater Short Term	484.82
	Kotak FMP Series 19	Kotak Liquid	2007.88
	Kotak FMP Series 19	Kotak Flexi Debt	4887.42
	Kotak FMP Series 19	Kotak Floater Short Term	484.82
	Kotak FMP Series 19	Kotak Twin Advantage Series II	390.55
	Kotak FMP Series 19	Kotak Twin Advantage Series III	2343.30
Tata Steel Limited	Kotak FMP Series XV	Kotak 30	721.51
	Kotak FMP Series XV	Kotak Balance	814.23
	Kotak FMP Series XV	Kotak Contra	4253.14
	Kotak FMP Series XV	Kotak Global India	1679.76
	Kotak FMP Series XV	Kotak Opportunities	1748.61
	Kotak FMP Series XV	Kotak Dynamic Asset Allocation	44.01

(Rs. In Lakhs)

Company	Schemes invested in by the company	Investing Scheme/(s)	Aggregate investments made by the scheme/(s) in the company for the period under regulation
	Kotak FMP Series XV	Kotak Equity Arbitrage Fund	2646.23
The Great Eastern Shipping Company Ltd.	Kotak FMP Series 20	Kotak Contra	792.23
	Kotak FMP Series 20	Kotak Midcap	560.35
	Kotak FMP Series 20	Kotak Tax Saver	382.25
	Kotak FMP Series 20	Kotak Emerging Equity Scheme	417.40
	Kotak FMP Series 20	Kotak Equity Arbitrage Fund	338.54
Thermax Ltd.	Kotak FMP 3M Series 8	Kotak Global India	24.49
	Kotak FMP 3M Series 8	Kotak Midcap	14.29
	Kotak FMP 3M Series 8	Kotak Tax Saver	829.63
UCO Bank	Kotak Floater Short Term	Kotak Bond	490.74
	Kotak Floater Short Term	Kotak Bond Short Term	2334.00
	Kotak Floater Short Term	Kotak Floater Long Term	1017.32
	Kotak Floater Short Term	Kotak Floater Short Term	7623.59
	Kotak Floater Short Term	Kotak FMP 3M Series 10	2438.44
	Kotak Floater Short Term	Kotak FMP 3M Series 16	3920.34
	Kotak Floater Short Term	Kotak FMP 3M Series 17	2440.89
	Kotak Floater Short Term	Kotak FMP 3M Series 3	4715.36
	Kotak Floater Short Term	Kotak FMP 3M Series 8	2937.85
	Kotak Floater Short Term	Kotak FMP 6M Series 1	196.47
	Kotak Floater Short Term	Kotak FMP 6M Series 2	3790.53
	Kotak Floater Short Term	Kotak FMP- Series 25	2411.41
	Kotak Floater Short Term	Kotak FMP- Series 26	1479.73
	Kotak Floater Short Term	Kotak Liquid	97509.35
	Kotak Floater Short Term	Kotak Flexi Debt	47506.88
	Kotak Floater Short Term	Kotak Floater Short Term	7623.59
	Kotak Floater Short Term	Kotak Twin Advantage Series III	637.83
	Kotak Floater Short Term	Kotak Emerging Equity Scheme	1958.11
	Kotak Floater Short Term	Kotak FMP 14M Series 2	2413.38
	Kotak Floater Short Term	Kotak FMP 15M Series 2	728.95
Videsh Sanchar Nigam Ltd.	Kotak FMP Series XV	Kotak 30	55.01
	Kotak FMP Series XV	Kotak Contra	1322.65
	Kotak FMP Series XV	Kotak Global India	274.24
	Kotak FMP Series XV	Kotak Opportunities	109.03
	Kotak FMP Series XV	Kotak Dynamic Asset Allocation	19.81
	Kotak FMP Series XV	Kotak Equity Arbitrage Fund	197.38
Wipro Ltd.	Kotak FMP Series 22	Kotak 30	2904.60
	Kotak FMP Series 22	Kotak Technology	583.82
	Kotak FMP Series 22	Kotak Contra	549.09
	Kotak FMP Series 22	Kotak Dynamic Asset Allocation	142.52
YES Bank Ltd.	Kotak Floater Short Term	Kotak Bond	484.30
	Kotak Floater Short Term	Kotak Floater Short Term	959.66
	Kotak Floater Short Term	Kotak FMP 3M Series 10	8477.93
	Kotak Floater Short Term	Kotak FMP 3M Series 22	4479.39
	Kotak Floater Short Term	Kotak FMP- Series 26	985.77
	Kotak Floater Short Term	Kotak Liquid	33363.14
	Kotak Floater Short Term	Kotak Flexi Debt	18069.08
	Kotak Floater Short Term	Kotak Floater Short Term	959.66
	Kotak Floater Short Term	Kotak Opportunities	492.21
	Kotak Floater Short Term	Kotak Equity Arbitrage Fund	2.09
	Kotak Floater Short Term	Kotak FMP 13M Series 1	1805.87

These investments comprise debt and equity instruments and were made solely on the basis of sound fundamentals of these companies.

G. DURATION OF THE SCHEME

The Scheme may be wound up if:-

- i. There are changes in the capital markets, fiscal laws or legal system, or any event or series of event occurs, which, in the opinion of the Trustee, requires the Scheme to be wound up; or
- ii. 75% of the Unitholders of the Scheme pass a resolution that the Scheme be wound up; or
- iii. SEBI directs the Scheme to be wound up in the interests of the Unitholders.

Where the Scheme is to be wound up pursuant to the above Regulations, the Trustee shall give notice of the circumstances leading to the winding up of the Scheme:-

- i. to SEBI; and
- ii. in two daily newspapers having circulation all over India and also in a vernacular newspaper circulating in the place where the Mutual Fund is established.

H. PROCEDURE AND MANNER OF WINDING UP

- i. The Trustee shall call a meeting of the Unitholders to consider and pass necessary resolutions by simple majority of the Unitholders present and voting at the meeting for authorising the Trustee or any other person to take steps for winding up the Scheme concerned.
- ii.
 - a) The Trustee or the person authorised as above, shall dispose off the assets of the Scheme concerned in the best interest of the Unitholders of that Scheme.
 - b) The proceeds of the sale made in pursuance of the above, shall, in the first instance, be utilised towards discharge of such liabilities as are properly due under the Scheme and after making appropriate provision for meeting the expenses connected with such winding up, the balance shall be paid to the Unitholders in proportion to their respective interests in the assets of the Scheme as on the date when the decision for the winding up was taken.
- iii. On completion of the winding up, the Trustee shall forward to the Board and the Unitholders, a report on the winding up containing particulars such as circumstances leading to the winding up, steps taken for the disposal of the assets of the Fund before winding up, expenses of the Fund for winding up, net assets available for distribution to the Unitholders and a certificate from the Auditors of the Scheme concerned.
- iv. Notwithstanding anything contained herein, the provisions of the Regulations in respect of disclosure of half-yearly reports and annual reports shall continue to apply.

After the receipt of the report referred to above under 'Procedure and Manner of Winding Up', if SEBI is satisfied that all measures for winding up of the Scheme concerned have been completed, the Scheme shall cease to exist.

C. SERVICES TO UNITHOLDERS

1. Investor Services

It is the endeavour of the Fund to provide consistently high quality service to its investors. This encompasses all interaction by the clients with the Fund. The Fund strives to

upgrade the quality of services through implementation of technology and through ensuring quality consciousness amongst its service personnel and agencies associated with it.

The Fund may allow investors to access their investments over the Internet and other access channels including but not restricted to the telephone, mobile phone and other hand-held devices as an investor facilitation measure. The Fund may also allow investors to do select transactions, register for various facilities, place requests for modification/ updation of their personal / bank account details and profile information and / or log queries / grievances for resolution through the above-referred channels. The above facilities would be offered to investors who specifically subscribe to same and agree to abide by the terms and conditions subject to which the facility is offered. The Fund may either offer these services on its own or through its Registrar or through select online distribution partners. These channels would be specifically recognized by the Fund as Official Acceptance Points for acceptance of Financial Transactions.

The Fund strives to provide a high degree of convenience for the investors' dealings with itself and it is the constant endeavour of the Fund to increase this level of convenience.

2. Facilitating Enquiries and Transactions

a) Investor Service Centres and Transaction points in important cities

CAMS, which is the Registrar to the Fund, provides Investor Services through its ISCs. Unitholders' enquiries and transactions during working hours are entertained at the ISCs at the addresses listed elsewhere in this Offer Document.

Besides in other locations, CAMS provides investors a facility to lodge their transaction and service requirement request through a network of Transaction Points.

b) Meeting in Person

A responsible official of the Asset Management Company will be available every working day between 3.00 p.m. and 4.00 p.m. for a personal meeting with any Unitholder at the registered office of the AMC. The purpose of this facility is to discuss the investment needs of the client, address any queries on the Mutual Fund and to provide other services.

3. Finding Solutions to Problems

The Fund will follow up with the Investor Service Centres and the Registrar on complaints and enquiries received from investors. The Fund will strive to speedily resolve investor complaints.

4. Unitholder Grievances Redressal Mechanism

Investor grievances will normally be received at the AMC office or at any of the Investor Services Centres or directly by the Registrar. All grievances will then be forwarded to the Registrar, if required, for necessary action. The complaints will closely be followed up with the Registrar to ensure timely redressal and prompt investor service.

Mr. R. Chandrasekaran has been appointed as the Investor Relations Officer for the Fund. All related queries should be addressed to:

Mr. R. Chandrasekaran

Kotak Mahindra Asset Management Company Limited
91/92, 9th Floor, Sakhar Bhavan,
230, Nariman Point, Mumbai - 400 021
Tel: 91 - 22 - 6638 4400 / Fax: 91 - 22 - 6638 4455
E-mail: mutual@kotak.com

History of Investor Queries/Complaints for the period April 1, 2004 to December 31, 2007

Description	No. of queries received	Resolved within				Pending
		1 Day	2 Days	3 Days	>3 Days	
Change of Address	63327	59385	1526	738	1678	0
Change of Bank Mandate	62455	57462	2033	976	1984	0
Non- receipt of account Statement	357	242	62	19	34	0
Others Queries	172934	129858	13628	8196	21168	84
Total	299073	246947	17249	9929	24864	84
Service Standard	100.00	82.57	5.77	3.32	8.31	0.03

These were mostly in the nature of queries and requests, and were attended to as follows:

J. TAX TREATMENT FOR THE INVESTORS

The information set out below outlines the tax implications with respect to the Unit holders of the Scheme and with respect to the Mutual Fund and is based on relevant provisions of the Indian Income Tax Act, 1961 and Wealth Tax Act, 1957 (collectively known as "the relevant provisions"), and prevailing as on January 21, 2008.

Price Waterhouse does not make any representation on the procedures for ascertaining the tax implications nor do they make any representations regarding any legal interpretations. Further, except for the above procedure, Price Waterhouse has not performed any other services in connection with any other data or information included in the Offer Document.

THE FOLLOWING INFORMATION IS PROVIDED FOR GENERAL INFORMATION PURPOSES ONLY. IN VIEW OF THE INDIVIDUAL NATURE OF TAX IMPLICATIONS, EACH INVESTOR IS ADVISED TO CONSULT HIS OR HER OWN TAX ADVISER WITH RESPECT TO THE SPECIFIC TAX IMPLICATIONS ARISING OUT OF HIS OR HER PARTICIPATION IN THE SCHEME.

A. For the Unitholders

- Income from Mutual Fund received by Unitholders would be tax free in the hands of the Unitholders as per the provisions of section 10(35) of the Income-tax Act, 1961 (the Act).
- The characterization of gains / losses arising from sale / transfer of units as capital gains or business income would depend on the classification of the said units by the unit holder. It would depend on whether the unit holder has classified such units as capital assets or as stock in trade.

In this regard, the Central Board of Direct Taxes ('CBDT') has issued a circular No. 4 of 2007 dated June 15, 2007, which reiterates the principles laid down in the judicial precedents. Further, it advises the Assessing Officers to consider the total effect of all the principles outlined in the earlier judicial decisions in determining whether the shares are held as investments, giving rise to capital gains or as stock in trade, giving rise to business profits.

- Under Section 2(29A) of the Act, read with section 2(42A) of the Act, a unit of a Mutual Fund is treated as a long

term capital asset if the same is held for more than 12 months. If the unit is held for 12 months or less, the same is treated as a short term capital asset.

4. Taxation of Long Term Capital Gains

Under Section 112 of the Act, capital gains arising on the transfer of long term capital assets are subject to tax at the rate of 20%. The capital gains will be computed by deducting expenditure incurred in connection with such transfer and indexed cost of acquisition of the unit from the sale consideration. Further, the maximum tax payable on long term capital gains on such units is restricted to 10% of capital gains calculated without indexation of the cost of acquisition.

Moreover, in case of an equity-oriented fund, long term capital gains arising from the sale of a units of such equity oriented fund are exempt from tax under section 10(38) of the Act, where such sale attracts Securities Transaction Tax ('STT'). However, at the time of sale of units (redemption) the unit holder will have to pay a STT of 0.25% on value of sale of the unit to the Mutual Fund, which will be collected by the Mutual Fund and deposited into Government Treasury.

The income by way of long term capital gains of a company would be taken into account in computing the book profits and Minimum Alternate Tax payable, if any, u/s 115JB of the Act (irrespective of whether it is exempt u/s 10(38)).

Further, in case of an individual or HUF, being a resident, where the total income as reduced by the long term capital gains is below the maximum amount not chargeable to tax (i.e. Rs. 110,000 in case of all individuals, to Rs. 145,000 in case of women and to Rs.195, 000 in case of senior citizens), the long term capital gains shall be reduced to the extent of the shortfall and only the balance long term capital gains will be subject to the flat rate of taxation.

In addition to the aforesaid tax, surcharge at the following rates is also payable:

- In case of foreign companies at the rate of 2.5% where the total income exceeds Rs.10,000,000,
- In case of domestic company at the rate of 10% where the total income exceeds Rs.10,000,000,
- In the case of an individual, HUF or Association of Persons ('AOP'), where the total income exceeds Rs. 1,000,000, at the rate of 10%, of such tax liability is also payable and
- In case of artificial juridical person a surcharge of 10%.

An education cess of 3% (inclusive of 1 % of additional cess for Secondary and Higher education) on total income tax payable (including surcharge) is payable by all categories of taxpayers.

5. Taxation of Short Term Capital Gains

Short term capital gains arising to a unit holder will be taxed at the normal rate applicable to that unit holder as per the provisions of the Act. The capital gains will be computed by deducting expenditure incurred in connection with such transfer and cost of acquisition of the unit from the sale consideration.

The taxable/total income and the tax payable arising from short term capital gains shall be computed in accordance with the tax rates applicable to the investor.

However, as per section 111A of the Act, short term capital gain arising from the sale of a unit of an equity oriented fund is taxable at the rate of 10%. The

provisions related to minimum amount not chargeable to tax, surcharge and education cess described at para 4 would also apply to such short-term capital gains. In such cases, at the time of sale of units (redemption) the unit holder will have to pay STT of 0.25% of the sale / redemption value.

6. For the purposes of para 4 and 5 above, An "equity oriented fund" is a fund where the investible funds are invested in equity shares of domestic companies to the extent of more than 65% of the total proceeds of such fund.
7. The capital loss resulting from sale of units would be available for setting off against other capital gains made by the investor and would reduce the tax liability of the investor to that extent. However, losses on transfer of long term capital assets would be allowed to be set-off only against gains from transfer of long-term capital assets and the balance long-term capital loss shall be carried forward separately for a period of eight assessment years to be set off only against long-term capital gains. Further, as the long-term capital gains on sale of units of equity oriented fund are exempt from tax the losses from such units may not be allowed to be set off against other gains.
8. Where a person buys any units within a period of three months before the record date and sells such units within nine months after such date, the dividend income on such units being exempt from tax, then the capital loss, if any, on such sale to the extent of dividend income cannot be set off against other gains.
9. Where a person buys units (original units) within a period of three months before the record date, receives bonus units on such original units, and then sells the original units within a period of nine months from the record date and continues to hold the bonus units, then the loss incurred on the original units shall not be allowed to be set off against other profits but shall be deemed to be the cost of acquisition of the bonus units.
10. However, in cases, which are not covered by clause 8 above, the cost of acquisition of bonus units for the investors would be NIL, as provided by section 55(2) of the Act.
11. The long term capital gains on transfer of units would be exempt from tax under Section 54EC of the Act, subject to fulfillment of certain conditions specified in the section. This section requires investments in specified bonds. However, if the amount invested is less than the capital gains realized, only proportionate capital gains would be exempt from tax.
12. Where the units are treated as 'stock in trade' and the profits arising from the sale of units are taxed under the head "Profits & Gains of business or profession", the amount equal to the STT paid by the unit holder can be claimed as a rebate from the tax payable on the income from such sale of units by virtue of the provisions of section 88E of the Act. No deduction would be allowed for STT while calculating capital gains or business profits.
13. As per the provisions of Section 194K and 196A of the Act, no deduction of tax at source shall be made from income credited or paid by a mutual fund to a Unitholder.
14. As per circular no. 715 dated August 8, 1995 issued by the CBDT in case of resident Unitholders, no tax is required to be deducted at source from capital gains arising at the time of repurchase or redemption of the units.

Under Section 195 of the Act in case of schemes other than equity oriented scheme, the Mutual Fund is

required to deduct tax at source at the rate of 20% on any long-term capital gains arising from units chargeable to tax if the payee Unitholder is a non-resident. In respect to short-term capital gains, tax is required to be deducted at source at the rate of 30% if the payee Unitholder is a non-resident non-corporate and at the rate of 40% if the payee Unitholder is a foreign company in case of schemes other than equity oriented scheme.

However, with respect to short-term capital gains arising from sale of equity oriented schemes, tax is required to be deducted at the rate of 10%. No deduction of tax is required to be made from long term capital gains arising to non residents from sale of units of equity oriented schemes.

In addition to the aforesaid tax, surcharge and education cess is also payable as mentioned in para 4 above.

15. As per circular no. 728 dated October 30, 1995 issued by the CBDT, in the case of a remittance to a country with which a Double Tax Avoidance Agreement (DTAA) is in force, the tax should be deducted at the rate provided in the Finance Act of the relevant year or at the rate provided in the DTAA, whichever is more beneficial to the assessee. In order for the Unitholder to obtain the benefit of a lower rate available under a DTAA, the Unitholder will be required to provide the Mutual Fund with a certificate obtained from his Assessing Officer stating his eligibility for the lower rate.
16. Units held under the Mutual Fund Scheme are not treated as assets within the meaning of Section 2(ea) of the Wealth Tax Act, 1957 and are therefore not liable to wealth tax.
17. Investments by Charitable and Religious Trusts

Units of a mutual fund scheme referred to in Clause 23D of Section 10 of the Income Tax Act, 1961 constitute an eligible avenue for investment by Charitable and Investment Trusts per rule 17C of the Income Tax Rules, 1962 read with clause (xii) of sub section (5) of Section 11 of the Income Tax Act, 1961.

B. For the Mutual Fund

1. Kotak Mahindra Mutual Fund is a Mutual Fund registered with SEBI and as such is eligible for benefits under Section 10(23D) of the Act. Accordingly, its entire income is exempt from tax.
2. Mutual Funds (other than equity oriented funds) are required to pay dividend distribution tax at the rate of 14.1625% (including surcharge @10%, education cess @2% and secondary and higher education cess at the rate of 1%), in the case of distributions to individuals and HUFs. An increased rate of 22.66% (including surcharge @10%, education cess @2% and Secondary and higher education cess at the rate of 1%) is applicable for distributions made to persons other than an individual or a HUF.
3. Mutual funds which are 'Money Market Mutual Fund'* or 'Liquid Fund'** are required to pay dividend distribution tax at the rate of 28.325% (including surcharge @10%, education cess @2% and secondary and higher education cess at the rate of 1%).

* Money market mutual fund means a money market mutual fund as defined in sub-clause (p) of clause 2 of the SEBI (Mutual Funds) Regulations, 1996."

** "liquid fund" means a scheme or plan of a mutual fund which is classified by the SEBI as a liquid fund in accordance with the guidelines issued by it in this behalf under the SEBI Act, 1992 or regulations made thereunder.

VIII. OTHER MATTERS

A. POWER TO MAKE RULES

Subject to the Regulations, the Trustee may, from time to time, prescribe such terms and make such rules as may be necessary for the purpose of giving effect to the Scheme, with power to the AMC to add to, alter or amend all or any of the terms and rules that may be framed from time to time.

B. POWER TO REMOVE DIFFICULTIES

If any difficulty arises in giving effect to the provisions of the Scheme, the Trustee may, subject to the Regulations, do anything not inconsistent with such provisions, which appears to it to be necessary, desirable or expedient, for the purpose of removing such difficulty. Without diluting in any way the powers granted to the Trustee as aforesaid, the Trustee has the following powers:

1. Right to change the load structure;
2. Right to change cut-off times for purchase and redemption of Units;
3. Right to change minimum amounts of purchase and redemption;
4. Right to determine frequency and amount of dividend; and the right not to declare dividend, where distributable surplus is inadequate; and
5. Right to add to or alter the modes of payment by the investor for purchase of Units.

The exercise of these powers, reserved by the Trustee under this Offer Document vis-a-vis prospective investments in any of the scheme, shall not constitute change in the fundamental attributes of the Scheme.

C. TRANSACTIONS WITH ASSOCIATE COMPANIES

The Fund may from time to time, for the purpose of conducting its normal business, use the services of Kotak Securities Limited, which is a stock-broking company (an associate company), the Sponsor and various subsidiaries of the Sponsor. These subsidiaries of the Sponsor, as on the date of this Offer Document, include Kotak Mahindra Investments Limited (formerly known as Hamko Financial Services Limited) an investment company; Kotak Mahindra Trustee Company Limited (Trustee to the Fund); Kotak Mahindra Prime Limited, an auto finance company; Kotak Investment Advisors Ltd formerly known as (Kotak Mahindra Securities Limited), a broker on NSE in the Regular debt market segment; Kotak Mahindra Capital Company Limited, a Category 1 Merchant Banker registered with SEBI and a Primary Dealer appointed by RBI; Kotak Mahindra (International) Limited; Kotak Mahindra (UK) Limited; Global Investment Opportunities Fund Limited, an investment company, the subsidiary companies of Kotak Mahindra Capital Company Limited; Kotak Mahindra Old Mutual Life Insurance Company Limited, the life insurance joint venture of Kotak Mahindra Bank Limited; Kotak Mahindra Private - Equity Trustee Company Limited, a private venture fund and Kotak Forex Brokerage Limited, a company dealing in foreign exchange and Kotak Mahindra Inc.

The Fund has neither invested in Group Companies, nor taken any underwriting obligations with respect to issues of associate companies.

Following subscriptions have been made in issues lead managed, arranged or book-running lead managed by Kotak Mahindra Capital Company Limited during the period from April 1, 2004 to September 30, 2007.

Financial Year 2004-05	Amount Subscribed (Rs. In Lakhs)						
Security Instrument	Nature of Subscribed	Kotak 30	Kotak Opportunities	Kotak Balance	Kotak Income Plus	Kotak Midcap	Kotak Liquid
Dena Bank	Equity	-	216.00	-	251.10	747.90	
Gateway Distriparks Ltd.	Equity	1238.59	374.35	232.63	469.54	2879.97	
ICICI Bank Ltd.	Equity	369.60	-	113.40	861.00	-	
Jet Airways (India) Ltd	Equity	-	-	-	-	2499.50	
National Thermal Power Corporation Ltd	Equity	1329.03	472.32	258.97	1156.98	-	
New Delhi Television Ltd	Equity	600.60	-	309.40	1190.00	-	
Punjab National Bank	Equity	1474.20	445.07	275.89	562.77	5090.14	
LIC Housing Finance Ltd.	Debt	-	-	-	-	-	2500.00
Pass Through Certificate – VE Trust VIII Series A Senior	Debt	-	-	-	-	-	2500.00

Financial Year 2005-06	Amount Subscribed (Rs. In Lakhs)						
Security Instrument	Nature of Subscribed	Kotak 30	Kotak Opportunities	Kotak Balance	Kotak Income Plus	Kotak Tech	
Allahabad Bank	Equity	575.36	230.25	153.46	153.46	-	
Allsec Technologies	Equity	-	-	-	-	249.96	
IL&FS Investsmart Ltd.	Equity	437.50	187.50	125.00	125.00	-	
Infrastructure Development Finance Company Limited	Equity	1474.85	633.35	325.04	390.73	-	
HT Media Ltd.	Equity	1313.85	590.72	575.77	305.79	-	
PVR Ltd.	Equity	-	732.00	660.00	396.00	-	
Punj Lloyd Ltd.	Equity	1890.00	728.00	616.00	406.00	-	
Andhra Bank	Equity	1890.00	877.50	535.95	-	-	
Bank of Baroda	Equity	293.25	-	-	-	-	
Gujarat State Petronet Ltd.	Equity	-	996.30	583.20	486.00	-	
GVK Power & Infrastructure Ltd.	Equity	1407.40	694.40	353.40	347.20	-	
Union Bank of India	Equity	2288.00	1072.50	671.00	434.50	-	
Mahindra & Mahindra Financial Services Ltd.	Equity	2170.00	1134.00	644.00	588.00	-	

Financial Year 2005-06	Amount Subscribed (Rs. In Lakhs)					
Security Instrument	Nature of Subscribed	Kotak Tax Saver	Kotak Lifestyle	Kotak Midcap	Kotak Contrás	Kotak Equity Arbitrage
Allahabad Bank	Equity	-	-	959.33	-	
Allsec Technologies	Equity	-	-	249.96	-	
IL&FS Investsmart Ltd.	Equity	-	-	1125.00	-	
Infrastructure Development Finance Company Limited	Equity	-	-	3388.24	5946.94	
HT Media Ltd.	Equity	-	-	2655.87	-	
PVR Ltd.	Equity	684.00	-	2364.00	-	
Punj Lloyd Ltd.	Equity	693.00	-	2380.00	3395.00	
Andhra Bank	Equity	715.50	-	2295.00	2700.00	
Bank of Baroda	Equity	-	-	-	724.50	
Gujarat State Petronet Ltd.	Equity	783.00	-	2484.00	2902.50	
GVK Power & Infrastructure Ltd.	Equity	545.60	-	1661.60	1953.00	
Union Bank of India	Equity	-	-	-	2684.00	
Mahindra & Mahindra Financial Services Ltd.	Equity	840.00	1442.00	2471.00	2583.00	
BHPC Auto Securitisation Trust Sept 05 Series-A 15/06/2007	Debt	-	-	-	-	992.80

Financial Year 2006-07	Amount Subscribed (Rs. In Lakhs)						
Security Instrument	Nature of Subscribed	Kotak 30	Kotak Opportunities	Kotak Balance	Kotak Income Plus	Kotak MNC	Kotak Tech
Sun TV Limited	Equity	2558.50	1781.50	731.50	736.75		
Tech Mahindra Ltd.	Equity	2125.76	2093.64	767.96	858.48	369.38	340.18
Sobha Developers Ltd.	Equity	2867.20	2137.60	787.20	553.60	-	-
Global Broadcast News Ltd	Equity	1587.50	887.50	325.00	325.00	-	-
Power Finance Corporation Ltd.	Equity		2040.00	788.80	518.16		
Indian Bank	Equity		2037.26	781.46	682.50		
MindTree Consulting Ltd.	Equity		1933.54	752.25	675.75		363.38
ICRA Limited.	Equity	2854.50	-	-	-	280.50	-
India Loan Securitisation Trust V PTC A - 20/12/2009	Debt						

Financial Year 2006-07	Amount Subscribed (Rs. In Lakhs)						
Security Instrument	Nature of Subscribed	Kotak Twin Advantage Series II	Kotak Global India	Kotak Tax Saver	Kotak Lifestyle	Kotak Midcap	Kotak Contra
Sun TV Limited	Equity			1064.00	6685.00	2814.00	2800.00
Tech Mahindra Ltd.	Equity		911.04	877.46		1871.72	1763.68
Sobha Developers Ltd.	Equity			1164.80	3174.40	1894.40	1331.20
Global Broadcast News Ltd	Equity		-	562.50	1300.00	825.00	525.00
Power Finance Corporation Ltd.	Equity			1445.00		1972.00	1203.60
Indian Bank	Equity			1470.79		1958.78	1213.49
MindTree Consulting Ltd.	Equity		894.41	1420.99		1857.94	1147.50
ICRA Limited.	Equity		-	-	-	-	-
India Loan Securitisation Trust V PTC A - 20/12/2009	Debt	933.94					

Half Year Ended on Sept. 30, 2007	Amount Subscribed (Rs. In Lakhs)								
Security Instrument	Nature of Subscribed	Kotak Tax Saver	Kotak Opportunities	Kotak Balance	Kotak Income Plus	Kotak Lifestyle	Kotak Midcap	Kotak Contra	Kotak Emerging Equity
Fortis Healthcare Limited	Equity	-	-	-	-	881.76	-	-	-
DLF Limited	Equity	602.91	495.83	-	-	791.89	-	-	668.47
Housing Development & Infrastructure Ltd	Equity	1943.27	1469.72	679.14	449.12	2459.94	1976.38	980.00	2071.51
IVR PRIME Urban Developers Ltd.	Equity	1808.58	1297.08	590.16	364.74	2170.86	2046.66	862.56	1815.60
Central Bank of India	Equity	2082.94	1481.71	676.38	418.00	-	2337.41	988.38	2120.95
PURAVANKARA Projects Ltd.	Equity	813.51	566.24	-	-	976.82	900.32	366.71	773.91
Power Grid Corporation Of India Ltd	Equity	2174.45	1434.29	656.05	316.10	-	2091.25	907.73	1959.49

During the last three fiscal years, the Fund has had the following transactions with associate companies:

(Rs. in Lakhs)

KOTAK SECURITIES LIMITED								
Nature of Transactions	Commission/Promotional Expenses for distribution of units				Brokerage Towards Purchase and Sale of Investments			
	2004-05	2005-06	2006-07	Half Year ended Sept 30, 2007	2004-05	2005-06	2006-07	Half Year ended Sept30,2007
Kotak Gilt Savings Plan	0.21	0.15	0.09	0.05	-	-	-	-
Kotak Gilt Investment Plan	15.00	7.01	2.12	1.14	-	-	-	-
Kotak Bond	18.56	5.21	-	0.85	-	-	-	-
Kotak Bond Short Term Plan	7.73	1.01	0.52	0.24	-	-	-	-
Kotak 30	47.26	17.30	22.30	8.15	8.65	6.71	3.05	14.03
Kotak Balance	2.65	5.65	4.91	1.08	0.57	0.56	1.47	2.48
Kotak Tech	2.77	2.88	2.28	0.83	0.07	0.40	-	-
Kotak MNC	4.00	1.17	0.98	0.47	3.51	2.61	0.05	-
Kotak Income Plus	2.48	1.04	1.53	0.14	0.89	0.32	0.20	0.17
Kotak Global India	56.01	13.88	7.38	3.16	4.15	3.03	1.36	0.83
Kotak Liquid	110.43	120.14	86.65	59.15	-	-	-	-
Kotak Floater Short Term	8.66	7.88	1.98	0.27	-	-	-	-
Kotak Dynamic Income	0.70	-	-	-	-	-	-	-
Kotak FMP (8)	0.01	-	-	-	-	-	-	-
Kotak Equity FOF	235.78	3.66	1.92	0.03	-	-	-	-
Kotak Opportunities	43.05	29.06	9.60	3.24	2.26	1.06	6.37	8.39
Kotak Floater Long Term	1.71	3.52	1.00	-	-	-	-	-
Kotak Midcap	46.47	72.90	12.20	4.73	5.75	8.87	4.52	0.33
Kotak Dynamic FOF	1.11	0.75	-	-	-	-	-	-
Kotak Flexi Debt	0.07	0.25	0.10	2.06	-	-	-	-
Kotak Contra	-	115.84	10.05	4.31	-	14.64	4.69	0.88
Kotak FMP Series IV	#	-	-	-	-	-	-	-
Kotak FMP Series I	#	-	-	-	-	-	-	-
Kotak Equity Arbitrage Fund	-	3.88	0.65	0.17	-	16.53	12.32	5.41
Kotak Flexi Fund of Funds	-	0.05	-	-	-	-	-	-
Kotak Tax Saver	-	57.14	13.99	6.90	-	1.36	1.32	4.50
Kotak Lifestyle Fund	-	132.67	12.41	7.22	-	-	9.23	8.79
Kotak FMP Series 26	-	-	0.08	-	-	-	-	-
Kotak Flexi Fund of Funds Series II	-	-	0.19	-	-	-	-	-
Kotak Twin Advantage Series II	-	-	2.34	0.28	-	-	0.41	-
Kotak Twin Advantage Series III	-	-	13.84	0.86	-	-	3.01	-
Kotak FMP 13M Series 1	-	-	1.68	-	-	-	-	-
Kotak FMP 13M Series 2	-	-	0.08	-	-	-	-	-
Kotak FMP 14M Series 1	-	-	0.04	-	-	-	-	-

(Rs. in Lakhs)

KOTAK SECURITIES LIMITED								
Nature of Transactions	Commission/Promotional Expenses for distribution of units				Brokerage Towards Purchase and Sale of Investments			
	2004-05	2005-06	2006-07	Half Year ended Sept 30, 2007	2004-05	2005-06	2006-07	Half Year ended Sept30,2007
Kotak FMP 14M Series 2			0.48				-	
Kotak FMP 15M Series 1			0.03				-	
Kotak FMP 15M Series 2			0.01				-	
Kotak FMP 3M Series 12			0.02	0.13			-	-
Kotak FMP 3M Series 13			#				-	
Kotak FMP 3M Series 14			#	0.01				
Kotak Dynamic Asset Allocation			86.76	-			23.48	83.61
Kotak Wealth Builder Series 1			89.13	5.50			0.67	-
Kotak Emerging Equity			75.04	99.15			-	1.66
Kotak Gold ETF				1.49				-
Kotak FMP 3M Series 15				0.01				-
Kotak FMP 3M Series 16				0.03				-
Kotak FMP 3M Series 17				0.08				-
Kotak FMP 15M Series 3				0.18				-
Kotak FMP 3M Series 18				0.01				-
Kotak FMP 3M Series 19				0.01				-
Kotak FMP 3M Series 20				#				-
Kotak FMP 3M Series 21				0.01				-
Kotak FMP 12M Series 1				0.10				-
Kotak FMP 12M Series 2				0.02				-
Kotak FMP 3M Series 22				#				-
Kotak FMP 3M Series 24				#				-
Kotak FMP 3M Series 25				#				-
Kotak Global Emerging Market				82.34				-

(Rs. in Lakhs)

KOTAK MAHINDRA BANK LIMITED								
Nature of Transactions	Commission/Promotional Expenses for Distribution of Units				Charges on Banking Services			
	2004-05	2005-06	2006-07	Half Year ended Sept 30, 2007	2004-05	2005-06	2006-07	Half Year ended Sept30,2007
Kotak Gilt Savings Plan	0.02	0.43	0.40	0.94	0.02	0.02	0.01	#
Kotak Gilt Investment Plan	12.84	6.93	2.59	0.17	#	#	#	
Kotak Bond	0.55	0.06	1.37	1.03	0.26	0.01	0.01	#
Kotak Bond Short Term Plan	4.68	5.70	8.01	3.15	-	#	-	-
Kotak 30	49.03	64.98	131.25	39.53	1.61	3.63	6.31	4.91
Kotak Balance	0.33	26.61	13.11	1.75	0.20	0.84	1.54	0.18
Kotak Tech	0.52	0.35	0.22	0.03	-	0.12	0.07	-
Kotak MNC	12.62	3.00	0.28	0.04	-	1.01	0.09	0.02
Kotak Income Plus	6.89	1.78	1.94		0.46	1.35	0.90	
Kotak Global India	42.13	10.86	8.05	1.82	-	0.46	0.93	0.21
Kotak Liquid	29.39	57.16	80.70	24.66	-	0.02	0.05	#
Kotak Mahindra Fixed Maturity Plans				0.53				0.41
Kotak Floater Short Term	16.99	11.66	14.70	0.31	-	#	-	-
Kotak Dynamic Income	1.58				-			
Kotak FMP (8)	3.02				-			
Kotak Equity FOF	52.87	9.84	1.92	0.05	0.43	#	-	-
Kotak Opportunities	29.84	98.46	137.10	9.48	0.40	0.50	2.87	0.50

KOTAK MAHINDRA BANK LIMITED								
Nature of Transactions	Commission/Promotional Expenses for Distribution of Units				Charges on Banking Services			
	2004-05	2005-06	2006-07	Half Year ended Sept 30, 2007	2004-05	2005-06	2006-07	Half Year ended Sept30,2007
Kotak Floater Long Term	7.50	5.74	2.16		-	#	-	
Kotak Midcap	323.83	326.25	52.15	11.68	1.20	1.31	1.06	0.08
Kotak Dynamic FOF	224.83	-			-	-		
Kotak Flexi Debt	1.79	12.61	11.33	33.15	#	0.01	0.01	0.02
Kotak Contra		697.51	24.68	4.18		1.39	0.61	0.69
Kotak FMP Series VIII	0.18				-			
Kotak FMP Series II	0.01	0.06			-	#		
Kotak FMP Series IV	0.04	0.13			-	-		
Kotak FMP Series I	0.01	2.58	0.42		-	#	-	
Kotak Equity Arbitrage Fund		4.73	3.62	0.74		10.77	10.35	4.65
Kotak Flexi Fund of Funds		1106.52	10.00			0.10	-	
Kotak Tax Saver		64.13	18.58	8.84		0.02	1.64	0.66
Kotak Lifestyle Fund		1638.13	100.19	28.89		1.57	2.57	1.42
Kotak FMP Series 26		0.05	0.08				#	
Kotak Flexi Fund of Funds Series I			2.48				-	
Kotak Flexi Fund of Funds Series II			1372.84				0.12	
Kotak Twin Advantage Series II			75.86	4.72			1.70	1.11
Kotak Twin Advantage Series III			251.24	12.20			9.06	7.36
Kotak FMP 13M Series 1			3.82				-	
Kotak FMP 13M Series 2			8.42				-	
Kotak FMP 14M Series 1			0.27				#	
Kotak FMP 14M Series 2			1.12				-	
Kotak FMP 15M Series 1			0.05				#	
Kotak FMP 15M Series 2			0.77				#	
Kotak FMP 24			0.56				-	
Kotak FMP 25			-				#	
Kotak FMP 3M Series 8			-				#	
Kotak FMP 3M Series 9			-				#	
Kotak FMP 3M Series 10			-				#	
Kotak FMP 3M Series 11			-				#	
Kotak FMP 3M Series 12			0.09	0.68			-	-
Kotak FMP 3M Series 13			0.04				-	
Kotak FMP 3M Series 14			0.03	0.85			-	-
Kotak FMP Series 13			-				#	
Kotak FMP 6M Series 2			-				#	
Kotak FMP 6M Series 3			-				#	
Kotak Dynamic Asset Allocation			2241.69	0.97			32.70	71.40
Kotak Wealth Builder Series 1			314.47	17.66			2.13	7.85
Kotak Emerging Equity			399.03	429.68			-	15.93
Kotak Gold ETF				4.78				-
Kotak FMP 3M Series 15				1.03				-
Kotak FMP 3M Series 16				0.62				-
Kotak FMP 3M Series 17				4.53				-
Kotak FMP 15M Series 3				0.88				-
Kotak FMP 3M Series 18				0.13				-
Kotak FMP 3M Series 19				0.06				-

KOTAK MAHINDRA BANK LIMITED								
Nature of Transactions	Commission/Promotional Expenses for Distribution of Units				Charges on Banking Services			
	2004-05	2005-06	2006-07	Half Year ended Sept 30, 2007	2004-05	2005-06	2006-07	Half Year ended Sept30,2007
Kotak FMP 3M Series 20				0.01				-
Kotak FMP 3M Series 21				0.56				-
Kotak FMP 12M Series 1				1.59				-
Kotak FMP 12M Series 2				0.74				-
Kotak FMP 3M Series 22				0.42				-
Kotak FMP 3M Series 24				0.12				-
Kotak FMP 3M Series 25				0.11				-
Kotak FMP Quarterly Interval Fund Series II				0.02				-
Kotak Global Emerging Market				1012.74				-
Kotak FMP Quarterly Interval Plan Series I				0.11				-

(Rs. in Lakhs)

Nature of Transactions	KOTAK MAHINDRA CAPITAL COMPANY LIMITED				KOTAK MAHINDRA INC.			
	Commission/Promotional Expenses for Distribution of Units				Commission/Promotional Expenses for distribution of units			
	2004-05	2005-06	2006-07	Half Year ended Sept 30, 2007	2004-05	2005-06	2006-07	Half Year ended Sept30,2007
Kotak Gilt Savings Plan	0.07	0.06	0.02	-		-	-	-
Kotak Gilt Investment Plan	0.01	0.01	#	-		-	-	-
Kotak Bond	0.01	-	-	-		-	-	-
Kotak Bond Short Term Plan	0.06	0.01	0.01	0.01		-	-	-
Kotak 30	-	-	-	-		0.11	0.15	0.12
Kotak Balance	#	-	-	-		-	-	-
Kotak Liquid	0.04	0.25	-	-		0.54	1.49	1.03
Kotak Floater Short Term	#	-	-	-		-	-	-
Kotak Floater Long Term	#	-	-	-		-	-	-
Kotak Flexi Debt	#	-	-	-		-	-	-
Kotak Contra		-	-	-		6.65	0.84	0.20
Kotak Twin Advantage Series III								0.12
Kotak FMP Series 13			-				#	

KOTAK MAHINDRA PRIME LIMITED**Commission/ Promotional Expenses for Distribution of Units**

(Half Year ended September 30, 2007)

Kotak Lifestyle Fund =#

Less than 0.05 lacs

These transactions were made at arms length and within the limits set by the Regulations, wherever applicable. Commission and brokerage were paid at the same rates as were applied to other distributors and brokers

D. STOCK LENDING BY THE FUND

If permitted by SEBI under extant regulations/guidelines, the Trustee may permit the fund to engage in stock lending. The Fund can temporarily lend stocks held with the Custodian to reputed counter-parties, for a fee, subject to internal norms, if any. The Fund is allowed to lend securities subject to a maximum of 20%, in aggregate, of the net assets of the Scheme and 5% of the net assets of the Scheme in the case of a single intermediary.

E. PENALTIES, PENDING LITIGATION OR PROCEEDINGS

a. All cases of penalties (indicating nature of penalty) awarded by SEBI under the SEBI Act or any of its regulations against the Sponsor of the Mutual Fund or any company associated with the Sponsor in any capacity including the Asset Management Company, Trustee Company/Board of Trustees, or any of the directors or key personnel (specifically the fund managers) of the Asset Management Company and Trustee Company. For Sponsor and its associates, other than the penalties as mentioned above, the penalties awarded by any financial regulatory body, including stock exchanges, for defaults in respect of shareholders, debenture holders and depositors shall also be disclosed. Additionally, penalties awarded for any economic offence and violation of any securities laws.	None None
Details of all cases of suspensions and cancellation of certificate of registration (for irregularities / violations in financial services sector or for defaults in respect of share holders, debenture holders and depositors) of the AMC, Trustee Company and sponsor or any associate of the sponsor shall be disclosed for the last 10 years.	None
b. Any pending material litigation proceedings incidental to the business of the Mutual Fund to which the Sponsor of the Mutual Fund or any company associated with the Sponsor in any capacity including the AMC, Board of Trustees /Trustee Company or any of the directors or key personnel is a party. Any pending criminal cases against the Sponsor or any company associated with the Sponsor in any capacity including the AMC, Board of Trustees/Trustee Company or any of the directors or key personnel.	None None
c. Any deficiency in the systems and operations of the Sponsor of the Mutual Fund or any company associated with the sponsor in any capacity including the AMC or the Trustee Company which SEBI has specifically advised to be disclosed in the offer document, or which has been notified by any other regulatory agency.	None
d. Any enquiry/adjudication proceedings under the SEBI Act and the Regulations made thereunder, that are in progress against the Sponsor of the Mutual Fund or any company associated with the Sponsor in any capacity such as the AMC, Board of Trustees/Trustee Company or any of the Directors or key personnel of the Asset Management Company.	None

The above information has been disclosed in good faith as per the information available to the AMC.

The above information has been disclosed in good faith as per the information available to the AMC.

F. OMNIBUS CLAUSE

Subject to SEBI Regulation permitting:

Besides the AMC, the Trustee/Sponsor may also absorb expenditures in addition to the limits laid down under Regulation 52 of SEBI Regulations.

Further, any amendment/clarification and guidelines in the form of notes or circulars issued from time to time by SEBI for the operation and management of mutual fund shall be applicable.

G. DOCUMENTS AVAILABLE FOR INSPECTION

Following documents are available for inspection by the prospective investors between 11.00 a.m. and 1.00 p.m. on any day (excluding Saturdays, Sundays and public holidays), at the office of the Mutual Fund:-

1. Copy of the Registration Certificate from SEBI
2. Copy of the Trust Deed and the Deed of Amendment.
3. Copy of the Investment Management Agreement and the supplemental agreement.
4. Copy of the Memorandum and Articles of Association of the Trustee.
5. Copy of the Memorandum and Articles of Association of the AMC.
6. Copy of the Custodian agreement
7. Copy of the Registrar agreement
8. Consent of Auditors to act in the said capacity
9. A copy of this Offer Document
10. Copy of the SEBI (Mutual Funds) Regulations, 1996
11. Copy of the Indian Trusts Act, 1882.
12. Copy of the Agreement with the Clearing Member

All points mentioned in the Standard Observations issued by SEBI vide their 'Instructions for filing Offer Document with SEBI dated December 26, 2003

the information available to the AMC.

have been incorporated in this Offer Document.

Notwithstanding anything contained in this Offer Document, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the Guidelines thereunder shall be applicable.

Investors may ascertain about any further change after the date of this Offer Document from the ISCs, as given on the inside back cover of the Offer Document, or the registered office of AMC or from distributors/brokers.

Note: The Schemes/Plans under this Offer Document were approved by the Trustee at their meetings/ by circular resolutions as follows:

Kotak Gilt Investment Plan (September 28, 1998); Kotak Gilt Savings Plan (September 28, 1998); Kotak 30 (September 28, 1998); Kotak Bond (July 23, 1999); Kotak Balance (July 23, 1999); Kotak Tech (January 13, 2000); Kotak MNC (January 13, 2000); Kotak Liquid (August 10, 2000); Kotak Bond Short Term Plan (March 13, 2002); Kotak Income Plus (September 13, 2002); Kotak Floater Short Term Scheme (April 07, 2003); Kotak Global India (September 24, 2003); Kotak Opportunities (December 08, 2003); Kotak Midcap (April 28, 2004); Kotak Floater Long Term Scheme (April 28, 2004) Kotak Flexi Debt (September 14, 2004); Kotak Contra (September 14, 2004); Kotak Equity Arbitrage Fund (February 22, 2005); Kotak Lifestyle (November 21, 2005)

For and on behalf of the Board of Directors of
Kotak Mahindra Asset Management Company Limited
[Asset Management Company for Kotak Mahindra Mutual Fund]

Place : Mumbai
Date : January 21, 2008

Sandesh Kirkire
Chief Executive Officer

The following short names have been used in this Offer Document:

Short Name Used	Scheme / Plan Name
Kotak Gilt Savings	Kotak Mahindra Gilt Unit Scheme '98 - Savings Plan
Kotak Gilt Investment	Kotak Mahindra Gilt Unit Scheme '98 - Investment Plan
Kotak 30	Kotak Mahindra 30 Unit Scheme
Kotak Bond	Kotak Mahindra Bond Unit Scheme 99
Kotak Bond Short Term	Kotak Mahindra Bond Unit Scheme 99 - Short Term Plan
Kotak Balance	Kotak Mahindra Balance Unit Scheme 99
Kotak Tech	Kotak Mahindra Technology Scheme
Kotak MNC	Kotak Mahindra MNC Scheme
Kotak Liquid	Kotak Mahindra Liquid Scheme
Kotak Income Plus	Kotak Mahindra Income Plus Scheme
Kotak Midcap	Kotak Midcap Scheme
Kotak Global India	Kotak Mahindra Global India Scheme
Kotak Flexi Debt	Kotak Mahindra Flexi Debt Scheme
Kotak Contra	Kotak Contra Scheme
Kotak Dynamic FOF	Kotak Dynamic Fund of Funds Scheme
Kotak Flexi FOF	Kotak Flexi Fund of Funds Scheme
Kotak Equity Arbitrage	Kotak Equity Arbitrage Fund
Kotak Lifestyle Fund	Kotak Lifestyle
Kotak Tax saver Scheme	Kotak Tax saver

OFFICIAL ACCEPTANCE POINTS

KOTAK MAHINDRA ASSET MANAGEMENT COMPANY LIMITED

● **Ahmedabad:** 9,10,11- 2nd Floor, Siddhi Vinayak complex, Shivrangani Cross Roads, Satellite, Ahmedabad - 380015. ● **Bangalore:** 2nd Fl., Umija Landmark, 10/7, Lavelle Road, Bangalore - 560001. ● **Bhubaneswar:** Centre Point, Unit-A, 2nd Flr. Kharela Nagar, Janpath, Bhubaneswar 751001. ● **Chandigarh:** SCO 2475-2476, 1st flr, Sector 22 C, Chandigarh - 160 017. ● **Chennai:** 1st Floor, Eldorado Building, 112 Nungambakkam High Road, Chennai 600034. ● **Hyderabad:** 6- 3-1109/1 2nd Floor, Nav Bharat Chambers, Rajbhavan Rd, Somaji Guda, Hyderabad - 500 082. ● **Jaipur:** 202, Mall-21, Opp. Raj Mandir Cinema, Bhagwandas Road, Jaipur - 302001. ● **Kanpur:** Room No. 107, 1st floor, Ratan Squire, 14/144 Chhuni ganj, Kanpur 208001. ● **Kolkata:** 7th Floor, Block 'C', Apeejay House, 15, Park Street, Kolkata - 700 016. ● **Lucknow:** Room No.9, 3rd Floor, Saran Chambers II, 5 Park Road, Lucknow - 226 001. ● **Madurai:** A R Plaza, No. 16 and 17, North Veli Street, Madurai - 625001. ● **Mumbai:** Sakhar Bhavan, 9th Floor 91-92 Nariman Point, Mumbai - 400 021. ● **Borivali:** B-601, 6th Floor, Sai Leela Building, S V Road, Opp. Moksh Plaza Borivali (West), Mumbai - 400092. ● **Ghatkopar:** 305, 3rd Floor, Rupa Plaza, Jawahar Road, Ghatkopar Station, Ghatkopar (East), Mumbai - 400077. ● **Thane:** 101-102, 1st Floor, Lotus Plaza, Gokhale Road, Naupada, Thane (West) - 400602. ● **New Delhi:** 12-14, Upper Ground Floor, Ambadeep Building, 14, Kasturba Gandhi Marg, New Delhi - 110 001. ● **UGF-11,** Mohta Building, 4, Bhikaji Cama Place, New Delhi - 110066. ● **F-8,** 1st Floor, Pankaj Plaza II, Community Centre, Karkardooma, New Delhi - 110092. ● **Pune:** Office No. 31, 3rd Floor, "Yeshwant", Plot No. 37/10B, Opp. Lane No. 9, Prabhat Road, Erandwana, Pune - 411004. ● **Vadodara:** 1st Floor, 108 Avanti Chambers, Anand Society, B/H Express Hotel, R C Dutt Road, Vadodara - 390005

COMPUTER AGE MANAGEMENT SERVICES PRIVATE LIMITED (CAMS) - INVESTOR SERVICE CENTRES

● **Ahmedabad:** 402-406, 4th Floor - Devpath Building, Off C G Road, Behind Lal Bungalow, Ellis Bridge, Ahmedabad 380 006. ● **Bangalore:** Trade Centre, 1st Floor, 45, Dikensen Road. (Next to Manjapal Centre) Bangalore - 560 042. ● **Bhubaneswar** : 101/ 5, Janpath, Unit III, Near Hotel Swosti, Bhubaneswar - 751 001. ● **Chandigarh:** Deepak Towers, SCO 154/155, 1 st flr, Sector 17-C, Chandigarh - 160 017. ● **Chennai:** Ground Floor No.178/10, Kodambakkam High Road, Opp. Hotel Palmgrove, Nungambakkam, Chennai -600 034. ● **Cochin:** 40 / 9633 D, Veekshanam Road, Near International hotel, Cochin - 682 035. ● **Coimbatore:** Old # 66 New # 86, Lokamanya Street (West), Ground Floor, R.S.Puram, Coimbatore - 641 002. ● **Durgapur** : 4/2, Bengal Ambuja Housing Development Ltd, Ground Floor, City Centre, Dist - Burdwan, West Bengal, Durgapur - 713 216. ● **Goa:** No.108, 1st Floor, Gurudutta Bldg, Above Weekender, M G Road, Panaji (Goa) - 403 001. ● **Hyderabad:** 102, First Floor, Jade Arcade, Paradise Circle, Secunderabad - 500 003. ● **Indore:** 101, Shalimar Corporate Centre, 8-B, South tukogunj, Opp.Greenpark, Indore - 452 001. ● **Jaipur:** G-III, Park Saroj, Behind Ashok Nagar Police Station, R-7, Yudhisthir Marg, C- Scheme, Jaipur - 302 001. ● **Kanpur:** 106 to 108 1st Floor City Centre Phase II 63/ 2, The Mall, Kanpur- 208 001. ● **Kolkata:** "LORDS Building" 7/1 Lord Sinha Road, Ground Floor, Kolkata -700071. ● **Lucknow:** Off # 4, 1st Floor, Centre Court Building/3/ c, 5 - Park Road, Hazratganj, Lucknow-226 001. ● **Ludhiana:** U/ GF, Prince Market, Green Field, Near Traffic Lights, Sarabha Nagar Pulli, Pakhowal Road, Above Dr. Viridi's Lab, P.O Model Town, Ludhiana-141 002. ● **Madurai:** 86/71A, Tamilasangam Road, Madurai-625 001. ● **Mangalore:** No. G 4 & G 5, Inland Monarch, Opp. Karnataka Bank, Kadri Main Road, Kadri, Mangalore - 575 003. ● **Mumbai:** Rajabhadur Compound, Ground Floor, Opp Allahabad Bank, Behind ICICI Bank 30, Mumbai Samachar Marg, Fort, Mumbai - 400 023. ● **Nagpur:** 145 Lendra, Behind Indus Ind Bank, New Ramdaspath, Nagpur - 440 010. ● **New Delhi:** 304-305 III Floor, Kanchanjunga Building, 18, Barakhamba Road, Connaught Place, New Delhi - 110 001. ● **Patna:** Kamlalaye Shobha Plaza (1st Floor), Behind RBI Near Ashiana Tower, Exhibition Road, Patna - 800 001. ● **Pune:** Nirmiti Eminence, Off No. 6, I Floor, Opp Abhishek Hotel Mehendale Garage Road, Erandawane, Pune - 411 004. ● **Surat:** Office No 2 Ahura -Mazda Complex, First Floor, Sadak Street, Timalyawad, Nanpura, Surat - 395 001. ● **Vadodara:** 109 - Silver Line, Besides world Trade Centre, ayajigunj, Vadodara -390 005. ● **Vijayawada:** 40-1-68, Rao & Ratnam Complex Near Chennaipti Petrol Pump, M.G Road, Labbipet, Vijayawada 520 010. ● **Visakhapatnam:** 471/ 9 / 17, 1st Floor, 3rd Lane , Dwarka Nagar Visakhapatnam - 530 016.

COMPUTER AGE MANAGEMENT SERVICES PRIVATE LIMITED (CAMS) - TRANSACTION POINT

● **Agra:** No.8, 2nd floor, Maruti Tower, Sanjay Place, Agra - 282002. ● **Ahmednagar:** 203-A Mutha Chambers Old Vasant Talkies, Market Yard Road, Ahmednagar - 414001. ● **Ajmer:** Shop No.S-5, Second Floor, Swami Complex, Ajmer - 305001. ● **Akola:** Opp. RL Science College, Civil Lines, Akola - 444001. ● **Allahabad:** No.7 1st Floor, Bhari Bhawan, 3. S.P. Marg, Civil Lines, Allahabad-211001. ● **Aligarh:** City Enclave, Opp. Kumar Nursing Home Ramghat Road, Aligarh- 202001. ● **Alwar:** 256A, Scheme No.1, Arya Nagar, Alwar-301001. ● **Amaravati:** 81, Gulshan Tower, 2nd Floor, Near Panchsheel Talkies, Amaravati - 444601. ● **Amritsar:** 378-Majithia Complex, 1st Floor, M. M. Malviya Road, Amritsar - 143001. ● **Anand:** 101, A.P. Tower, B/H, Sardar Gunj, Next to Nathwani Chambers, Anand- 388001. ● **Anantapur:** 15-570-33, I Floor, Pallavi Towers, Anantapur 515001. ● **Ankleshwar:** G-34, Ravi Complex, Vaila Char Rasta, G.I.D.C., Ankleshwar- Bharuch -393 002. ● **Asansol:** Block G 1st Floor, P C Chatterjee Market Complex, Rambandhu Talab P O Ushagram, Asansol - 713303. ● **Aurangabad:** Office No. 1, 1st Floor, Amrodi Complex, Juna Bazar Aurangabad-431001. ● **Balasar:** B C Sen Road, Balasore - 756001. ● **Bareilly:** F-62-63 Butler Plaza, Civil Lines, Bareilly 243001. ● **Belgaum:** Tanish Tower, CTS No. 192/A, Gururwar Peth, Tilakwadi, Belgaum-590006. ● **Bellary:** No.18A, 1st Floor, Opp. Ganesh Petrol Pump, Parvathi Nagar Main Road, Bellary - 583103. ● **Berhampur:** First Floor, Upstairs of Aaroon Printers, Gandhi Nagar Main Road, Ganjam Dt Orissa Berhampur-760001. ● **Bhagalpur:** Dr R P Road, Khalifabagh Chowk, Bhagalpur- 812001. ● **Bhavnagar:** 305-306, Sterling Point, Waghawadi Road, OPP HDFC BANK Bhavnagar - 364002. ● **Bhilai:** 209, Kichariya Complex, Opp IDBI Bank, Nehru Nagar Square, Bhilai-490020. ● **Bhilwara:** Clo Kodwani & Associates, F-20-21, Apasara Complex, Azad Market, Bhilwara-311001. ● **Bhopal:** C-12, Near City Bank, Above Delhi Prakashan Agency, Zone-I, M.P.Nagar, Bhopal-462011. ● **Bhuj:** Data Solution, Office No:17 I st Floor Municipal Building Opp Hotel Prince Station Road, Bhuj - Kutch-370001. ● **Bokaro:** HC-3, 1st Floor, City Centre, Sector-4, Bokaro Steel City, Bokaro - 827004. ● **Burdwan:** 399, G T Road, Opposite of Talk of the Town, Burdwan-713101. ● **Calcutt:** 17/28, H 1st Floor, Manama Building, Mavor Road, Calcutt-673001. ● **Cuttack:** Near Allahabad Bank, Cantonment Road, Cuttack-753001. ● **Davengere:** 13, Ist Floor, Akkamahadevi Samaj Complex, Church Road, P.J.Extension, Davengere- 577002. ● **Dehradun:** 20/4/21 Nari Ship Mandir Marg, Old Connaught Place, Dehradun - 248001. ● **Deoghar:** S S M Jalan Road, Ground Floor, Opp Hotel Ashoke, Caster Town, Deoghar 814112. ● **Dhanbad:** Urmila Towers, Room No: 111(1st Floor), Bank More, Dhanbad- 826001. ● **Dhule:** H. No. 1793 / A. J.B. Road, Near Tower Garden, Dhule-424001. ● **Erode:** 197, Seshayyer Complex, Agraharam Street, Erode 638001. ● **Faridhabad:** B-49, Ist Floor, Nehru Ground, Behind Anupam Sweet House, Nit, Faridhabad -121001. ● **Ghaziabad:** 207/A-14, IInd Floor, Devika Chamber, RDC Raj Nagar, Ghaziabad-201002. ● **Gorakhpur:** Shop No. 3, Second Floor, Cross Road, A.D. Chowk, Bank Road, Gorakhpur-273001. ● **Guntur:** Door No 5-38-44, 5/1 BRODIPET, Near Ravi Sankar Hotel, Guntur - 522002. ● **Gurgoan:** SCO - 17, 3rd Floor, Sector-14, Gurgoan - 122001. Guwahati Old post office lane, A. K. Azad Lane, Rehbari, Guwahati - 781008. ● **Gwalior:** 1st Floor, Singhal Bhawan, Daji Vitthal Ka Bada, Old High Court Road, Gwalior - 474001. ● **Hazaribagh:** Municipal Market, Annada Chowk, Hazaribagh 825301. ● **Hosur:** Shop No.8 J D Plaza, OPP TNEB Office, Royakotta Road, Hosur-635109. ● **Hubli:** 206 & 207, 1st Floor, 'A' Block, Kundagol Complex, Opp Court, Club road, Hubli-580029. ● **Jabalpur:** 975, Chouksey Chambers, Near Gitanjali School, 4th Bridge, Napier Town, Jabalpur-482001. ● **Jalandhar:** 3678, Central Town, Opp. Gurudwara Diwan Ashan, Jalandhar - 144001. ● **Jalgaon:** Rustomji Infotech Services-70, Navipeth, Opp Old Bus Stand, Jalgaon 425001. ● **Jammu:** 660- A Near Digital Wares, Lane opposite Dushara Ground, Front Gate, Gandhi Nagar, Jammu-180004. ● **Jamnagar:** 217/218, Manek Centre, P.N. Marg, Jamnagar-361001. ● **Jamshedpur:** Millennium Tower, Room No:15 First Floor, R- Road, Bstapur, Jamshedpur-831001. ● **Jodhpur:** 1/5, Nirmal Tower, Ist Chopasani Road, Jodhpur-342003. ● **Junagadh:** Circle Chowk, Near Choksi Bazar Kaman, Gujarat Junagadh-362001. ● **Jhansi:** Babu Lal Karkhana Compound, Opp.SBI Credit Branch, Gwalior Road, Jhansi- 284001. ● **Kalyani:** A - 1/50, Block - A, Nadia Dt Kalyani - 741235. ● **Kapada:** Door No.1-1625, DNR Laxmi Plaza, Opp. Rajiv Marg, Railway Station Road, Yeramkuppalli, Kapada- 516004. ● **Karimnagar:** Hno 7-1-257, Upstairs S B H Mangammthota, Karimnagar 505001. ● **Kestopur:** AA 101, Prafulla Kanan, Sreeparna Apartment, Ground Floor, Kolkata Kestopur - 700101. ● **Kollam:** Kochupillamoodu Junction, Near VLC, Beach Road, Kollam- 691001. ● **Kannur:** Room No. 14/435, Casa Marina Shopping Centre, Talap, Kannur 670004. ● **Kolhapur:** AIMD Sofex Office No.7, 3rd Floor, Ayodhya Towers, Station Road, Kolhapur-416001. ● **Kota:** B-33 'Kalyan Bhawan, Triangle Part , Vallabh Nagar, Kota-324007. ● **Kottayam:** Door No. IX / 1276, Amboorans Building, Manorama Junction, Kottayam-686001. ● **Kumbakonam:** Jainani Complex, 47, Mutt Street, Kumbakonam- 612001. ● **Manjapal:** Academy Annex, First Floor, Opposite Corporation Junction, Upendra Nagar, Manjapal-576104. ● **Mathura:** 159/160 Vikas Bazar, Mathura - 281001. ● **Meerut:** 108 Ist Floor Shivam Plaza, Opposite Eyes Cinema, Hapur Road, Meerut -250002. ● **Mehsana:** 1st Floor, Subhadra Complex, Urban Bank Road, Mehsana 384002. ● **Moradabad:** B-612 'Sudhakar Lalpat Nagar, Moradabad-244001. ● **Muzaffarpur:** Brahman toli, Durga Asthan Gola Road, Muzaffarpur-842001. ● **Mysore:** No.1, 1st Floor, CH.26 7th Main, 5th Cross, (Above Trishakti Medicals), Saraswati Puram Mysore-570009. ● **Nasik:** "Varsha Bungalow" 1st Floor, Near Rungtha High School, 493, Ashok Stambh, Nasik, 422001. ● **Navsari:** Dinesh Vasani & Associates, 103 -Harekrishna Complex, above IDBI Bank, Nr. Vasant Talkies, Chhinnabai Road, Navsari- 396445. ● **Nellore:** 97/56, I Floor Immediately Towers, Ranganayakulapet Road, Santhapet, Nellore 524001. ● **Panipat:** 83, Devi Lal Shopping Complex, Opp ABN Amro Bank, G.T.Road, Panipat - 132103. ● **Patiala:** 35, New Lal Bagh Colony, Patiala-147001. ● **Pondicherry:** S-8, 100, Jawaharlal Nehru Street, (New Complex, Opp. Indian Coffee House), Pondicherry - 605001. ● **Porbander:** 1st Floor, Silver Complex, S.T. Road, Porbandar 360575. ● **Raipur:** C-24, Sector T, Devendra Nagar, Raipur 492004. ● **Rajahmundry:** Cabin 101 D no 7-27-4, 1st Floor Krishna Complex, Baruvuri Street, T Nagar Rajahmundry-533101. ● **Rajkot:** 111, Pooja Complex, Harihar Chowk Near GPO, Rajkot - 360001. ● **Ranchi:** 223, Tirath Mansion (Near Over Bridge), 1st Floor, Main Road, Ranchi - 834001. ● **Ratlam:** Dafia & Co B1, Bajaj Khanna Ratlam - 457001. ● **Rohtak:** 205, 2ND Floor, Bg. No. 2, Murjal Complex, Delhi Road, Rohtak - 124001. ● **Rourkela:** 1st Floor , Mangal Bhawan , Phase II Power House Road, Rourkela - 769001. ● **Sagar:** Opp. Somani Automobiles, Bhagvanganj, Sagar - 470 002. ● **Salem:** No. 2/1 Floor Vivekananda Street, New Fairlands, Salem 636016. ● **Sambalpur:** Clo Raj Tilweral & Associates, Opp. Town High School, Sansark, Sambalpur-768001. ● **Satara:** 117 / A / 3 / 22, Shukrawar Peth, Sargam Apartment, Satara. ● **Shimla:** 1st Floor, Opp Panichayal Bhawan Main Gate, Bus Stand, Shimla - 171001. ● **Siliguri:** No 8, Swamiji Sarani, Ground Floor, Hakimpura Siliguri - 734041. ● **Solapur:** 4, Lokhandwala Tower, 144, Sideshwar Peth, Near Z.P. Opp. Pangal High School, Solapur 413001. ● **Surendranagar:** 2 M I Park, Near Commerce College, Wadhwan City, Surendranagar 363035. ● **Thiruppur:** 1(1), Binny Compound, IInd Street, Kumanar Road, Thiruppur-641601. ● **Tirumelloi:** III Floor, Nelli Plaza, 64-D, Madurai Road, Tirunelveli - 627001. ● **Tirupathi:** Shop No.14, Boligala Complex, 1st Floor, Door No. 18-8-41B Near Leela Mahal Circle Tirumala Bypass Road Tirupathi - 517501. ● **Trichur:** Adam Bazar, Room no.49, Ground Floor, Rice Bazar (East), Trichur-680001. ● **Trichy:** No 8, I Floor, 8th Cross West Extn, Thillainagar, Trichy-620018. ● **Trivandrum:** R S Complex, Opposite of LIC Building, Pattom PO Trivandrum - 695004. ● **Udaipur:** 32 Ahinsapuri Fatehpura Circle, Udaipur-313004. ● **Valsad:** Ground Floor, Yash kamal- 'B' Near Dreamland Theater, Tithal Road, Valsad 396001. ● **Varanasi:** C 27/249 - 22A, Vivekanand Nagar Colony, Maldhajya, Varanasi-221002. ● **Vashi:** Mahaveer Center, Office No.17, Plot No.77, Sector 17, Vashi - 400703. ● **Vellore:** No.54, Ist Floor, Pillayar Koi Street, Thotta Palayam, Vellore-632004. ● **Warangal:** F13, 1st Floor, BVSS Mayuri Complex, Opp. Public Garden, Lashkar Bazaar, Hanamkonda Warangal -506001. ● **Yamuna Nagar:** 124 BR, Model Town, Yamuna Nagar - 135001.



5A, 5th Floor, Bakhtawar, 229, Nariman Point, Mumbai 400 021

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